

The NATIONAL UNDERWRITER

Life Insurance Edition



Really relaxed

...he works for the
New England Life

The man on the tee really does work for New England Life. He is Bill Shelton of the Hays Agency in Los Angeles, crack golfer and (*in this photo*) amateur model for one of our national ads. (*Thanks again, Bill.*)

By "relaxed" we mean that any New England Life agent can talk life insurance with the quiet confidence that needs no table pounding. He is able to offer his clients a contract that is second to none.

A lot of brokers also have found how relaxing (*and profitable*) it is to recommend the New England Life contract.

Long drives and accurate putts to all of you!

A BETTER LIFE FOR YOU

NEW ENGLAND
Mutual **LIFE** Insurance Company
BOSTON, MASSACHUSETTS

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1835

FRIDAY, JUNE 29, 1956



FIDELITY

A WELL-BALANCED COMPANY



**essential in architecture
...a goal in Life Insurance.
Fidelity is
a well-balanced company.**

The **FIDELITY MUTUAL LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

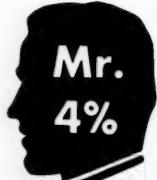
the Big Plus—

Family Income with a "Christmas Bonus"

All family income plans pay the beneficiary a regular monthly income. But . . . in addition . . . Jefferson Standard makes an extra payment each Christmas Season. Guaranteeing 2½% on policies currently issued, Jefferson Standard has never paid less than 4% on proceeds left on deposit to provide income. Extra Christmas income, provided by additional interest, is another BIG PLUS enjoyed by Jefferson Standard's Mr. 4%.

Jefferson Standard
LIFE INSURANCE COMPANY

Home Office: Greensboro, N.C.



THE NATIONAL UNDERWRITER, Life Insurance Edition. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 60000 per year, No. 26, Friday, June 29, 1956. \$7 per year (3 years, \$18); Canada, \$8 per year (3 years, \$21); Foreign, \$8.50 per year (3 years, \$22.50). 30 cents per copy. Entered as second class matter June 9, 1950, at the post office at Chicago, Ill., under the Act of March 3, 1879.

Take Advantage Of **LICA'S Merchandising SERVICE**

Here's How It Works For You:

We have developed in the LICA DIAMOND A superior plan through market study and analysis. This makes it more profitable to sell life insurance. We also pay top commission dollar.

We help you develop sales potential through local advertising, direct mail, quality-lead programs. (We pay for them.)

LIFE INSURANCE COMPANY OF AMERICA
Puts Strong Force Behind Your Efforts!

- If you are qualified to build an agency. We have what we believe to be the best answer.
- An excellent program from "mail to sale."
- We invite quality agency inquiries.
- We invite brokerage inquiry.
- Local advertising at no cost to you.

We have a complete line . . .
Life (everything),
Accident & Sickness
(two years, non-confining sickness)
Hospitalization
(To age 75)

YOU CAN STIMULATE MORE INTEREST WITH
LIFE INSURANCE COMPANY OF AMERICA
WILMINGTON 99
DELAWARE
Write to JAY ARNET, Director of Agencies

Opportunities in Maryland, Pennsylvania, Illinois, Indiana, Delaware, Arkansas.

Mutual Trust

IS NOT RESTING ON ITS LAURELS

Although its producers have long enjoyed the competitive advantages of:

- Low Net Costs
- Flexible Settlement Options
- Net Level Premium Reserves
- A Strong Surplus

Mutual Trust is continually improving its net cost position and introducing new and progressive contracts which have decided buyer appeal. There are still a few agency opportunities open for developing new territory and in replacing veterans who are retiring after long years of successful service.

Mutual Trust operates in:

Cal., Conn., Ia., Ill., Ind., Mass., Me., Mich., Minn., N. H., N. J., N. Y., N. D., Ohio, Ore., Pa., R. I., Vt., Wash., Wis.

PROFITABLE
GENERAL AGENCY
OPENINGS NOW
AVAILABLE
•
WRITE THE
AGENCY
SECRETARY

Mutual Trust
LIFE INSURANCE COMPANY
135 S. La Salle Street, Chicago

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

60th Year, No. 26
June 29, 1956

Insurers Advised Not to Sign FTC Compliance Cards

Suggest Holding Off Until A&S Jurisdiction Is Decided in Court

WASHINGTON—The Federal Trade Commission will apparently get back mighty few of the postcards it has asked A&S insurers to sign and send in, thereby indicating intention to comply with the new FTC A&S trade practice rules. In fact, the returns from the FTC's solicitation of compliance cards may well set a new low mark for direct-mail campaigns of all types.

Bulletins sent out to their members by the Washington offices of Health Insurance Assn. of America, American Life Convention, and Life Insurance Assn. of America strongly indicate that it would be sounder strategy to defer action on any intention to comply until FTC's assertion of complete jurisdiction over interstate A&S business has been tested in the courts. A petition for review of the case has been filed in the federal court of appeals for the fifth circuit.

"Decision in this case should go a long way toward determining the question of FTC jurisdiction," the associations' bulletins say. "Until such a decision has been reached, however, no one will know the extent of FTC authority, and consequently no one will know the extent of the applicability of the FTC trade practice rules. Under these circumstances it seems probable that many companies will want to defer taking any action on the FTC rules until the case has been litigated and an authoritative court decision reached with respect to FTC jurisdiction."

On April 26, the three associations made public a statement in which they declared that the FTC's jurisdictional decision would "carry far beyond advertising," is "directly contrary to the express intent of Congress" and "would deprive the states of the right to regulate insurance." They stressed that "advertising is not the major issue at stake in the FTC's decision" and that "no company engaged in the business desires to publish misleading advertising and the companies have indicated this by the changes that have taken place in their advertising to bring it into conformance with the advertising code promulgated by the National Assn. of Insurance Commissioners and the rules laid down by the individual state commissioners."

Mutual of New York Buys \$600,000 in Gas Bonds

Roanoke (Va.) Gas Co. has sold a \$600,000 issue of 4½% first mortgage bonds, due in 1981, to Mutual of New York. Proceeds will be used to retire bank notes and finance construction.

Roanoke Gas supplies natural gas to customers in Roanoke, Salem and Vinton, Va.

Richardson Talks To Enthusiastic LAA Workshop

Al. B. Richardson vice-president of Life of Georgia and president of Life Advertisers Assn., addressed the closing luncheon which climaxed the week-long editorial and sales promotion workshops conducted by LAA at Belmont-Plaza hotel in New York City.

Mr. Richardson emphasized the importance of the work the participants do for their companies and outlined the opportunities in their field.

Those who attended the workshops were enthusiastic about the value of the shirt-sleeve sessions. Their comments ranged from "we will all be able to go back to our offices and do a better job" to "a year's course in life insurance sales promotion in a week."

Richard N. Boulton, director of sales promotion of Phoenix Mutual, conducted the sales promotion workshop which covered a wide variety of topics, including operation of a sales promotion department, creative thinking, selection of ideas, visualization, copy writing and direct mail. The focal point of the week was a project, the preparation of advertising and promotion material on a new mortgage policy, on which the students worked in groups.

Warren F. Reuber, advertising assistant of Connecticut Mutual, led the editorial workshop which covered every phase of preparing house organs for the field and home office, from making a publication blueprint to manuscripts and layouts for the printer. Highlight of the week was a 4-hour session in which faculty members held individual conferences with students on every phase of their own company publications.

Speakers at a joint session included Harry Tankoos of Better Impressions Co., Allen Hurlburt of Look magazine, Ray Mackland of Life magazine, and Tom Benham of Opinion Research Corp. John Caples of Batten, Barton, Durstine & Osborn discussed copy writing at the sales promotion workshop.

Charles R. Corcoran, 2nd vice-president of Equitable Society, opened the week for both workshops by discussing

(CONTINUED ON PAGE 18)

Five Insurers Win Injunction Against W. Va. Corporate Tax

CHARLESTON, W. VA.—Five insurers this week won a temporary injunction in the state circuit court here in a suit to test the constitutionality of the new corporation tax as it applies to insurance companies. They filed on their own behalf and that of other companies similarly situated.

A preliminary injunction was granted that will remain in force until the court can hear arguments on granting of a permanent injunction or the legislature changes the law. The next legislative session will be in 1957 but there is pressure to call a special session next month on other matters and the tax measure might be included in the call.

The main basis for the suit is that it taxes insurance corporations differently from other corporations and hence is unconstitutional as being contrary to due process of law and violative of the equal protection clauses of the state and federal constitutions. Non-insurance corporations are taxed on the basis of the relation between their capital stock and their property situated in the state. Insurance corporations are taxed on the basis of total capital or unassigned surplus, whichever is greater, without any relationship to property owned in the state.

Companies bringing the test suit are Phoenix Mutual Life, Life of Virginia, Niagara Fire, Standard Accident, and Employer Mutual Casualty.

N.Y Ready to Apply A&S Code

The New York department has completed six seminars on advertising for more than 250 state examiners who will be responsible for administering the new A&S advertising code. The code, promulgated by National Assn. of Insurance Commissioners, recently was adopted by New York.

The seminars totaled 16 hours of lectures and discussions. Particular emphasis was placed on the application of the rules to actual advertising. Insurer officials, advertising agency men and research experts treated phases of the advertising business.

Late News Bulletins . . .

Confer with FTC Staff on A&S Rule 2(b)

Washington—A group of attorneys representing the A&S business was scheduled to meet Thursday of this week with members of the Federal Trade Commission legal staff in an effort to get clarification and interpretation of the recently promulgated FTC rules on A&S trade practices. Main concern centered around rule 2(b) which states that expressions such as "up to" or "as high as" cannot be used in advertising its benefits unless the company actually pays that much for any benefit whatever or if it doesn't do so, it must include the entire benefit schedule in the advertising.

Mass. Indemnity Plans to Write Life

Massachusetts Indemnity has called a special meeting of stockholders for July 26 to vote on the Board's recommendation to enter the life field. The company's name would be changed to Massachusetts Indemnity & Life Insurance Co. The company is a prominent A&S insurer, operating mainly in the non-can field.

Says SEC Control Would Be Variable Annuity Sales Aid

Compliance with Federal Law No Bar to Pru Plans, Shanks Tells N. J. Hearing

By ROBERT B. MITCHELL

Opponents of the variable annuity who testified at the New Jersey senate's hearing Friday tried hard to extract every possible advantage from the Securities & Exchange Commission's conveniently recent assertion of



Carroll M. Shanks



Frederic W. Ecker

authority over variable annuities but didn't succeed in discomfiting President Carroll M. Shanks of Prudential, who is seeking enactment of enabling legislation in the company's home state.

The anti-variable-annuity forces cited the SEC action against Variable Annuity Life of Washington, D. C., as a reason why the New Jersey senate should reject or at least delay action on the three bills passed by the house a couple of months ago. The plea was made that it would be best to hold off until the courts had decided whether the variable annuity is a security pursuant to federal law and hence subject to SEC jurisdiction.

Mr. Shanks, however, emphasized that it doesn't matter how the SEC case comes out, since it would be "a fine selling point" to be able to say that variable annuities are doubly regulated, even though the SEC's type of regulation is "only a tap on the wrist" compared with the New Jersey variety.

Answering previous arguments that a variable annuity is just a sale of securities, "with a dash of annuity," Mr. Shanks pointed out the vital importance of the annuitant's being able to use up principal without risk of outliving the income.

"What security is there that can pay two, three or four times the principal amount?" He asked.

The SEC, Mr. Shanks observed, has no special tie to common stocks and he asked why it had never contended that regular annuities based on bonds and mortgages had not been questioned by the SEC.

Mr. Shanks said that Prudential will of course submit to SEC regulation if legally required to but that possibility "shouldn't be permitted here as a red herring against these bills," he said.

The SEC's assertion of regulatory

(CONTINUED ON PAGE 18)

Ads Do Best Job When Conditioning Climate for Sales; Neville

W. A. Neville, advertising manager of Great-West Life, believes that advertising is doing its best job when it is conditioning the sales climate. It is basically a sales tool with the main function of supporting the sales plan and helping achieve sales goals. It can do a direct selling job only in a minor way.

One of the things advertising does for Great-West Life, Mr. Neville said, is to let people know the company is "in business." It also registers the name and services on the public mind; plants ideas about life insurance in the mind of the public; acts as a continuous calling card for agents; reminds policyholders of their connection with the company, and portrays the company's character.

Mr. Neville spoke at the annual meeting of Canadian Life Insurance Officers Assn. at Montebello, P. Q. He showed slides of two outdoor poster designs used by his company. One, a general type requiring constant repetition, indirectly reminds the viewer that he needs insurance protection. The other more firmly points out that a man has a responsibility to provide continuing income for his family if he should die. Neither poster discusses specific details of policies, which will be explained before the sale is completed. But both make the agent's job easier and help open the prospect's door. They serve as advance calling cards for new prospects and as continuing reminders for policyholders.

People should be able to judge, to some degree, a company's character by its advertising, Mr. Neville declared. This is a responsibility of the advertising people and is one which perhaps is not always recognized.

Advertising can make an important contribution to agent morale and general company spirit. Agents should be proud of company advertising. Although it is not always possible to satisfy the tastes of every individual, the ads should satisfy the majority.

One reason why Great-West Life continues to make outdoor advertising its principal medium is that the agents are so enthusiastic about it, Mr. Neville said. Many feel the billboards do a good job for them in their communities and they, themselves, get a boost in morale from that fact. Further, they appreciate that the company is not trying to do the whole selling job for them. The company, in a sense, this way respects their ability to diagnose the needs of their prospects.

The company's current type of advertising stimulates interest in Great-West Life and its services, it informs people about life and A&S, builds agents' prestige, makes the company well known and highly regarded and motivates both buyer and seller, Mr. Neville concluded.

NALU Offers NQA Cut or Matrices

National quality award qualifiers wishing to have the NQA emblem printed on their business cards and stationery may obtain a plastic cut for \$1 or free 1-inch or 2-inch matrices by writing to Mrs. Ann Bickerton at National Assn. of Life Underwriters headquarters, 1800 H street, Washington 6, D. C.

Arthur Fabra, San Antonio district agent for American National, has resigned that post, but will continue with the company as a personal producer in the Jamison agency at San Antonio.

New Officers of Wisconsin Assn. of Life Underwriters are, standing from left, Kenneth W. Walker, Prudential, Janesville, secretary-treasurer; Carl J. Homann, Mutual Trust Life, Madison, immediate past president; William H. Pryor, Connecticut Mutual Life, Milwaukee, national committeeman; William J. Nelson Jr., Massachusetts Mutual Life, Milwaukee, vice-president. Seated are, left, Richard McGuire, Massachusetts Mutual Life, Racine, president, and John W. Freeman, Penn Mutual Life, Madison, president elect.



Slate Seminar at Wis. U. for Advanced Agents

The annual Wisconsin seminar in advanced life underwriting will be held Aug. 6-10 at the University of Wisconsin, Madison.

Current trends of the business will be explored in some 151 discussions that constitute the 5-day seminar. Topics include survivor purchase agreements, what's new in taxes, financial planning for the farm operator, pensions for small groups, deferred compensation plans, group coverages, the bank loan and split dollar plans, using life insurance in executive compensation plans, the variable annuity, advanced programming and salesmanship.

Insurance men on the program include Carl McCaffrey, advanced underwriting training director, Northwestern Mutual Life; Orris M. Johnson, Prudential, Mankato, Minn.; Verne Arends, assistant secretary, Northwestern Mutual Life; Joshua B. Glasser, Continental Assurance general agent at Chicago; A. Jack Nussbaum, Massachusetts Mutual Life, Milwaukee; M. Albert Linton, chairman of Provident Mutual Life; William C. Greenough, executive vice-president of Teachers I. & A.; Charles J. Malin, Old Line Life general agent at Chicago and John O. Todd, Northwestern Mutual Life, Chicago.

Buffalo CLUS Elect Desmon

Buffalo CLU chapter has elected Joseph N. Desmon, general agent of Continental Assurance, president to succeed Chauncey D. Cowles Jr., Northwestern Mutual.

Also elected were Albert Felmet, Lutheran Mutual Life, vice-president; John T. Barton, Prudential, secretary; Richard S. McCord, New England Life, treasurer; Robert G. Tabor, Travelers, director for three years, and Herbert G. Vogt, Retirement Plans, Inc., director for one year.

Los Angeles GAs Hold Play Day

Los Angeles General Agents & Managers Assn. held a play day at Wilshire Country club under the chairmanship of Walter S. Payne, manager, Prudential. New president of the association is George N. Quigley Jr., branch manager, Manufacturers Life, who succeeds Bruce Bare, New England Life general agent.

Other officers are Robert L. Wood, Massachusetts Mutual Life, vice-president, and W. Thomas Craig, Aetna Life, secretary.

James N. Haims, who started with Prudential at Higginsville, Mo. in 1952, has been named staff manager at Marshall, Mo. His territory includes Marshall, Higginsville and other communities in the area.

Prudential has appointed **Walter P. Scott** district manager at Reading Pa. He joined the company in 1942 and has been manager at Shamokin, Pa., since 1954.

U. S. Chamber Names Insurance Committee of Life Executives

U. S. Chamber of Commerce has appointed these life insurance executives to its insurance committee for the year:

Claris Adams, executive vice-president of American Life Convention; Murray A. Baldwin, vice-president of American Life & Casualty of Fargo N. D.; Millard Bartels, chairman of the insurance executive committee of Travelers; Harold J. Cummings, president of Minnesota Mutual Life; Byron K. Elliott, executive vice-president of John Hancock; Edwin J. Faulkner, president of Woodmen Accident & Life; Robert L. Hogg, vice-chairman of Equitable Society; Powell B. McHaney, president of General American Life; Hugh F. McKenna, assistant to the executive vice-president of Mutual Benefit H&A, and H. Bruce Palmer, president of Mutual Benefit Life.

News Briefs

Albert R. Rinaldi, who has been with social security administration since 1946, has been appointed assistant to Harold D. Farber, general agent of Security Mutual Life of Binghamton at Buffalo.

Schiff & Strauss agency of Security Mutual Life of Binghamton held a party to mark the opening of new offices at 382 South Franklin street, Hempstead, Long Island, N. Y.

F. Stanley Tomkins has been appointed supervisor of the Hays agency of Lincoln National Life at Wichita. He formerly was with Penn Mutual Life.

Equitable Society has named as unit managers Daniel B. Engels at Rochester, Minn., Laurence A. Godden at Gowanda, N. Y., Ernest G. Grant at Owosso, Mich., William A. Guappone at Cincinnati, George B. Hassett at Detroit, and J. Lester Shaffer at Phoenix.

Vernon H. Lillig, with Sun Life Assurance at Chicago for six years, has joined the sales staff of Chicago office of Manpower, Inc., a business services organization headquartered at Milwaukee.

James E. Fusco associate general agent at Columbus, O., for Midland Mutual Life, has won his company's "Man of the Month" award for the second time this year and for the 16th time during his career with Midland Mutual.

Colonial Life has moved its Paterson, N. J., home office from 152 Market street to 2606 Broadway, Fairlawn, and its Mt. Vernon, N. Y., office from First National Bank building to 86 Pondfield road, Bronxville.

Joseph A. Bruckman, North American Life of Chicago, Peoria, has completed 1,000 consecutive weeks in the company's App-A-Week Club. Only one other living agent of North American has ever attained a greater record of consistent production. Mr. Bruckman long a leading producer, joined North American in 1936.

Paul M. Beaman, with Prudential since 1950, has been promoted to staff manager of the east side district, Indianapolis.

C. A. Georgiades, Pacific Mutual Life, Los Angeles, is currently leading his company in sales. He is marking his 20th anniversary with Pacific Mutual.

Robert A. Brown with Pacific Mutual Life 45 years, received a diamond studded service pin from his company. Mr. Brown along with his brother, Percy, and his son, R. A. Brown Jr., have been with the company for a total of 106 years.

Hohaus Takes Post on N. Y. Insurance Board

Reinhard A. Hohaus, vice-president and chief actuary of Metropolitan Life, has been appointed vice-chairman of New York state's temporary health insurance board.

The board will meet July 16 to begin planning a group health insurance program for active and retired state employees and their dependents.

Below, Fidelity Life President on American Farmers Board

Walter C. Below, president of Fidelity Life Association of Illinois, has been elected a director of American Farmers Mutual, Decatur, Ill. He also is on the midwest advisory board of Kemper companies.

Plan Blue Shield in South Dakota

The Blue Shield Plan is being organized in South Dakota. The house of delegates of the state medical association is setting up the program. It is expected the South Dakota plan will be available for purchase about Sept. 1.

NALU Booklet Urges Membership

National Assn. of Life Underwriters has published a new 8-page booklet, *The U in NALU*, which tells what the association does for agents and how it operates. Designed to encourage membership in NALU, the booklet points out how agents benefit from the organization which, in turn, derives strength from its members.

Equitable Campaign Winners

Daniel M. Ross, New Rochelle, N. Y., and Weston L. Kettering, Pittsburgh, led in ordinary and group volume, respectively, in Equitable Society's president's month campaign.



Al B. Richardson, (center) vice-president of Life of Georgia and president of Life Advertisers Assn., addressed the luncheon which concluded LAA's week-long editorial and sales promotion workshops in New York City. Richard N. Boulton, (left) director of sales promotion of Phoenix Mutual, conducted the sales promotion workshop. Warren Reuber, (right) advertising assistant of Connecticut Mutual, conducted the editorial workshop.

In Sp... sing gi... cal" Pu... clients in New York prefer... their ...ning the El... New Y... Pers... plann... less o... insur... jor as... unusu... per... to an... insur... 62% o... of the... The... equal... Life... who... street... people... —simil... The... highly... mean... sole cr... ceived... ned es... to do... agents... Even... the "p... trained... agents... vices... out m... client... The... who... who... rather... increa... insura... progra... prisi... "speci... being... at the... They... the re... They... friend... that t... The... re... cards... of yo... agent... One... to the... policy... qualifi... lower... cies." The... talk t... how t... sent i... so hel... ance... On... chose...

ACCIDENT & SICKNESS

O'Regan Speaks on FTC, Health Insurance Assn. at Illinois A&S Forum

The FTC decision in the American Hospital & Life case poses a basic question of state versus federal regulation for A&S advertising, F. Joseph O'Regan, assistant general counsel of Health Insurance Assn., told the June meeting of Illinois A&S Underwriters Forum.

Mr. O'Regan discussed the formation and purposes of the HIA, the annual meeting of National Assn. of Insurance Commissioners at St. Louis and the American Hospital case. He said NAIC adopted a resolution which, in substance, disagreed with the majority opinion of the FTC. Though this has none of the force of law, it indicates the thinking of most of the commissioners.

American Hospital & Life has filed a petition for review in the court of appeal, Mr. O'Regan told 38 members attending the forum dinner. Because of the great importance of the case, HIA has decided to file a supporting brief and counsel is being retained for that purpose.

Mr. O'Regan said that one of the fallacies in the FTC theory concerning the federal government's right to regulate insurance advertising is that "mere movement of advertising material in an interstate medium is not in itself an offense either under the FTC act or the applicable state laws. There must be some point at which the advertising comes into contact with the public for there to be a violation. There can be no case in which contact with the public does not take place within the borders of a state in which both a company and its agents are licensed. If the state can control the sales activities of the insurer and its agent, it can control the

advertising done by them. To deny state A the power to protect its citizens against misleading advertisements disseminated within state A from state B would be to deny it the power to regulate the sales activities of a company or agent licensed by it and subject to the exercise of its police power."

All 48 states and the District of Columbia have regulatory laws governing misleading insurance advertising, Mr. O'Regan said, so there is no gap in state regulation to which the FTC jurisdiction attaches.

Edward Ryan, Municipal, 1st vice-president, presided at the meeting, and Al Rose, Retail Credit, treasurer, reported that the forum, recently reorganized, now has 50 paid members.

Harper to Presidency of Minneapolis A&S Agents

Robert Harper, North American L.&C., has been elected president of Minneapolis A&H Underwriters Assn. Others elected are James Smith, All-American Life & Casualty, 1st vice-president; W. R. Wheeler, Monarch Life of Massachusetts, 2nd vice-president, and Frank Madsen, Mutual Benefit H. & A., secretary-treasurer.

Pacific Mutual Has New A&S Plan for Older Folks

Pacific Mutual Life is writing a hospital and surgical plan designed especially for applicants between 60 and 70 years of age. Benefits include payments for daily hospital indemnity, miscellaneous hospital services and surgical indemnity. It is primarily designed for protection of the family but also is available to individuals.

A&S Unit Elects in N. H.

New Hampshire Assn. of A&S Underwriters has elected Charles I. New-

ton of Washington National president, Armand Roy of United Life & Accident vice-president and Henry Walker of Mutual Benefit H.&A. secretary, all of Manchester. Next meeting will be held July 16 at Bear Brook state park.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. La Salle St., Chicago, June 26, 1956

Previous Current

Week's Bid Bid Asked

Aetna Life	176	177	180
Beneficial Standard	29	29 1/2	30 1/2
Cal-Western States	94	94	98
Colonial Life	104	105	110
Columbian National	86	85	88
Commonwealth Life	20	21	22
Connecticut General	237	253	257
Continental Assurance	132	127	130
Franklin Life	82	85	86
Great Southern Life	80	80	80
Gulf Life	29 1/2	29	29
Jefferson Standard	114	116	120
Kansas City Life	1280	1280	1320
Life & Casualty	36 1/2	36 1/2	37 1/2
Life Insurance Investors	14	14 1/4	15 1/2
Lincoln National	207	219	222
Missouri	21 1/2	21 1/4	22 1/2
National L. & A.	87	88 1/2	90 1/2
North American, Ill.	20 1/2	24	25
N.W. National Life	79	78	83
Ohio State Life	225	210	218
Old Line Life	58	57	60
Southland Life	100	100	113
Southwestern Life	100	110	118
Travelers	73	72	73 1/2
United, Ill.	23	23 1/2	24 1/2
U.S. Life	27	27	28
West Coast Life	46	46	48
Wisconsin National	49	49	52

Canadian Doctors Approve Government Hospitalization Plan

Canadian Medical Assn., at its annual meeting in Quebec, approved government health insurance plans providing the plans do not include doctors.

Dr. A. F. Kelly, general secretary, said discussion of hospital plans at a closed session indicated that the approval applied only to hospital plans and that the membership preferred voluntary medical plans, such as already exist, rather than government plans.

The Canadian government has proposed a basic universal hospital plan which would provide standard ward care. It would provide a government grant to provinces, but would make each province responsible for costs of administration and formulation of a specific hospital plan.

Los Angeles Managers Discuss A&S Trends

A panel discussion on A&S trends was held at the meeting of A&H Managers Club of Los Angeles with Don Withrow of Connecticut General Life as moderator. Other panel members were Harry Anderson of the DeVies agency of Occidental Life of California and W. Lloyd Peterson of Mutual Life of New York.

The question of high first year commissions and a service commission later vs the flat rate commission was discussed without reaching a conclusion as to which is the better practice. A divergence of opinion was evident on the question of a broker or agent entering the claims picture, but all agreed that agents and brokers should see that the claim is paid and follow through after it is paid.

The group agreed that major medical form will eventually be adopted by all companies despite the high cost of coverage and the adverse experience of some insurers which now write the coverage.

Toledo Assn. Elects Rosenberg

Oscar Rosenberg has been elected president of Toledo Assn. of H.&A. Underwriters.

James Kirkham was named vice-president and B. L. Rosen was elected secretary-treasurer.

American College Revises Reading List of Books for 1957 CLU Exams

American College has changed its suggested reading list of books for use in preparation for the 1957 CLU examinations. The changes were made to implement next year's curriculum, which has undergone major revisions.

New books include *Settlement Operations* by Charles K. Reid II, a senior consultant of LIAMA, and Harry F. Redeker, general counsel of Fidelity Mutual Life; *Group Insurance* by Davis W. Gregg, president of American College; *Fundamentals of Private Pensions* by Dan M. McGill, associate professor of insurance and research director of Wharton school; revised edition of *Business Law* by Louis O. Bergh, adjunct professor of the law of commerce and finance at New York university, and the late Thomas Conyngton, a lawyer; *Fundamentals of Federal Income, Estate and Gift Taxes* by Edwin H. White, vice-president of Insurance R&R; *Personal Finance* by Arthur W. Hanson, professor of accounting at Harvard university, and Jerome B. Cohen, associate professor of economics at College of the City of New York; *Introduction to Business Finance* by B. B. Howard, associate professor of Finance at Northwestern university, and Miller Upton, dean and associate professor of finance at Washington university; *Basic Accounting for Lawyers* by Barton E. Ferst, Philadelphia attorney, and *The Practice of Life Underwriting* by Harold W. Gardiner, director of education and field training of Northwestern Mutual Life.

Meet...

OUR 1956
NATIONAL QUALITY
AWARD WINNERS

"Quality," too, has been our key-word since organization and is a rigid principle appropriately exemplified by so many NQA winners.

ILLINOIS
L. G. Mitten
H. R. Parker
Michael J. Shanley
Kenneth P. Sheppard
R. E. Sheppard

INDIANA
L. M. Carr*
Francis H. Davis*
Eugene K. Druart
Harry Fleenor
Harry Huston
D. R. Johnson*
Nate Kaufman*
J. H. Kitchen, Jr.
George R. Lambert
James B. Lee
W. Art Long
Curt McClelland
W. G. McClelland
Doyal E. Plunkett
William H. Plymate
Joseph B. Rowekamp

TEXAS
Finck Dorman*
E. F. Hall
Paul Hamon
C. B. Ingram, Jr.
Edgar T. Russell*

MICHIGAN
L. H. Vande Bunte

MINNESOTA
Robert E. Hansen
Ernest Herzog*
Arthur M. Klinefelter
R. A. Mitchell

OHIO
Russell Farmer
E. Lowell Rife
Peter Scalfidi

*Qualified for 10 years or longer

WALTER H. HUEHL, President ARNOLD BERG, C. L. U., Agency Vice-President

INDIANAPOLIS LIFE
INSURANCE COMPANY
Mutual—Established 1905
INDIANAPOLIS 7, INDIANA

AGENCY OPPORTUNITIES in Ill., Ind., Iowa, Ohio, Mich., Minn., Mo., N.D., S.D., Texas, Wis.



Leck, Chicago, vice-president; Harry J. Altick, Detroit, president, and Nathaniel P. Paulus, Dayton, executive committeeman. Richard F. Wagner, Boston, and John W. Wood, Newark, also executive committeemen, were absent when the photo was taken.

State Mutual Life's General Agents' Assn. elected officers at the 3-day annual meeting in Worcester. Shown, left to right, are Gerald H. Young, New York City, immediate past president and now an executive committee member; William Daley, Portland, Me., secretary; Walter C.

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Massachusetts Mutual Millionaires

Line up the entire Massachusetts Mutual field force. Count the 1956 Million Dollar Round Table members among them . . . 129 "millionaires" . . . one in every ten full-time men.

QUALIFYING first time	27
QUALIFYING and repeating	33
LIFE AND QUALIFYING first time	13
LIFE AND QUALIFYING repeating	40
LIFE	16

This lengthens the already long record of top-flight performance by our *great field force*. In the short span of four years, the number of Massachusetts Mutual "millionaires" has increased from 61 to 129, or 111%. There has also been consistent improvement in the ratio of our Round Table members to our expanding sales organization.

YEAR	M.D.R.T.	RATIO TO FIELD
1952	61	1 in 16.5
1953	65	1 in 16.3
1954	82	1 in 14.1
1955	100	1 in 12.4
1956	129	1 in 10.2

Line up, too, America's leading life underwriters in any year. Count the Massachusetts Mutual men among them. You will see why we have such pride in our *great field force*.

**Massachusetts Mutual
Life Insurance Company**
SPRINGFIELD, MASSACHUSETTS

Sales Ideas That Work

Tax Advantages of Short-Term Trust Are Good Sales Tool for Larger Cases

Price H. Topping, associate general counsel of *Guardian Life*, spoke on "The Short Term Trust in Action" at the annual meeting of President's Club, top production group, in Boca Raton, Fla. Mr. Topping's talk supplemented what he had written on this topic in "Legal Points," his regular feature in *Service*, the company's monthly magazine for the field force. Because of the interest in this timely subject, his talk is printed here in full.

The January, 1956, issue of Service "Legal Points" article described the legal effect of the short term trust. Obviously, many did not gather from such a brief article, the full meaning of how life insurance and such a trust fit together.

Perhaps an illustration will aid in understanding this situation. Let us assume a married man has a salary of

\$65,000 and has an annual income of \$10,000 derived from \$200,000 of investments yielding an average interest rate of 5%. His total income is thus \$75,000. We assume exemptions and deductions of \$6,000, leaving a net taxable income of \$69,000. Those assumed facts are shown in the following example which further shows that, even though married, the tax rate on the top \$5,000 of his income is at 65%. After tax on that top \$5,000 of income, all he has left is \$1,750:

Salary	\$65,000
Investment income	10,000
Total	\$75,000
Exemptions and deductions	6,000
Net Taxable income	\$69,000
One-half (marital basis)	34,500
Income tax rate on top bracket	65%
Tax on Top \$5,000	\$3,250

Net of top \$5,000 after tax 1,750 Continue to keep your eye on that top \$5,000 of investment income and let us see what can happen by using a short term trust.

Now let us assume that the same man transfers one-half (\$100,000) of his investment to a short term trust. Then \$5,000 of income is removed from his top income tax bracket of 65% and is the income of the trust. The tax result of that transfer is.

Top Block of income transferred to short term trust \$5,000 Exemption and standard deductions 1,100

Net taxable income \$3,900

Tax on this block of income 818

Net after tax 4,182

Let us again look at the final results of those two assumed examples:

Income tax	Without use	By use
on top	short	short
\$5,000 of	term	term
income	trust	trust
	\$3,250	\$818

Net income of this

\$5,000

after tax 1,750

This shows that the top \$5,000 of income of the man in our assumed case

can be so set up as to increase the net available after taxes from \$1,750 without a trust to \$4,182 by using a trust. The net available after tax increased 2½ times, a gain of \$2,432.

If this man were not married, the net results would be even more startling as there the net available after tax would be \$1,100 instead of \$1,750 for a married man, and the net available after tax is increased over three-fold, a gain of \$3,082.

This example assumes that he only transfers one-half of the family investments to the short term trust and that half be kept for the protection of the donor or his family.

Such a gain could purchase a very sizable 10 pay life policy on one of the lives mentioned hereafter, and have it fully paid up when the trust terminates. It would be paid up with dollars that were entirely saved from income taxes without one single cent of expense to the family unit.

Of course, there is no reason why the entire net income of \$4,182 couldn't be used to buy an even larger policy. Also, the trust could be for longer than 10 years as long as it met the other legal conditions mentioned in January "Legal Points," and there could be a policy with a longer premium paying period. Also, such a plan can be elastic enough to be used to buy even ordinary life or any similar policy with the parties meeting premium payments when the trust terminates by whatever means deemed appropriate to them.

The trustee can be a bank or trusted friend as described in the January issue of *Service*. That trust can buy a policy of life insurance on any person but the donor of the trust.

If the man is married and the investments were his own, then the trust could buy insurance on the life of the mother or the child for whom the trust is set up, or any other person authorized by the terms of the trust. If the principal transferred to the trust belonged to his wife then the trust could buy insurance on his life.

This situation is equally attractive to the grandfather-father-son situation where the grandfather transfers a portion of his investments to a short term trust and the trust buys insurance on the life of either the father or the grandson, the grandson being the beneficiary of the trust. Such a trust can be set up for a number of children. There should generally be separate trusts for each child, however.

Attractive illustrations can be worked out on this in almost any income bracket where there is a medium to substantial earned income and even a modest amount of investment income. A \$35,000 salary, \$5,000 investment income and transferring the investment and the income to the trust shows a \$1,682 gain in available income for a married man and \$2,632 for a single man. This is an ideal way for persons having both earned income and investment income to purchase life insurance with dollars they would otherwise pay to the income tax collector.

Elevators of Southland Life Center to Cost \$2.5 Billion

Southland Life has awarded a \$23 million contract to Westinghouse Electric Co. for the installation of all elevators, escalators, and other vertical transportation equipment in the Southland Center project now under construction in downtown Dallas. The equipment will include 28 ultra-modern high speed electronically controlled elevators and eight two-speed escalators for a 42-story home office building and 28-story hotel.

NOW... Standard Insurance Company Announces

LIFE PREMIUMS GRADED BY POLICY AMOUNT

APPLYING TO

ALL LIFE AND ENDOWMENT CONTRACTS

See these examples

AGE 35

Average Annual Payment per \$1,000 (Based on 1956 Dividend Schedule)

Policy Face Amount	20 Year Average			10 Year Average
	Special Ordinary Life	20 Payment Life	20 Year Endowment	
Under \$2,500	\$21.30	\$32.64	\$44.05	\$61.18
2,500—4,999	20.80	32.14	43.55	60.68
5,000—9,999	19.80	31.14	42.55	59.68
10,000—24,999	18.80	30.14	41.55	58.68
25,000 & over	18.05	29.39	40.80	57.93

Available from Standard Insurance Company agents and brokers



Standard

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Serving the West since 1906

A Western Company owned by its Policyowners

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Johnson Predicts Life in Force Will Rise to \$750 Billion by 1965

Based on the growth experience of the past decade, it is reasonable to expect that life insurance in force in this country will exceed three-quarters of a trillion dollars by 1965, Holgar J. Johnson, president of Institute of Life Insurance, said at a Sacramento Chamber of Commerce breakfast honoring representatives of the life insurance business.

Translating his prediction to family averages, Mr. Johnson said that would mean \$12,000 per family, compared with today's \$6,900. Such growth should mean great progress for those who appreciate the picture and grasp their opportunities. It should mean a period of great growth and prosperity at a high level, but will call for continued watchfulness for change and for the needs of the public.

Life insurance is accustomed to adjusting to sharp and rapid social and economic change because it is a service industry, Mr. Johnson said. Its every act, policy plan and sales procedure is performed as a service in the public interest. This is the primary basis of life insurance competition.

The history of life insurance has been one of continuous change in plans and selling methods to meet changing needs and conditions. Family income, credit life, business and mortgage insurance, juvenile, extra-risk, educational policies, retirement income and insurance for tax purposes are among the developments designed to widen ownership of life insurance and make it more effective for those covered, Mr. Johnson pointed out.

Tobin Executive Chief of Union Labor Life

President Edmund P. Tobin of Union Labor Life has been designated chief executive officer to succeed Matthew Woll, who died recently.

J. Albert Woll, general counsel of AFL-CIO and a director of the company, has been elected to the executive committee. George A. Canary, president of Amalgamated Lithographers of America, Edwin L. Wheatley, president of International Brotherhood of Operative Potters, and Wilfrid T. Connell, president of International Photo-Engravers Union of North America, were elected directors.

Mr. Tobin joined the company in 1925. He was elected vice-president in 1935, executive vice-president in 1948 and a director in 1952. He succeeded Matthew Woll as president in 1955.

Report on Ill. Medical Plan

A report of examination by the Illinois department of Northern Illinois Medical Service, a non-profit corporation at Rockford, Ill., recommends that the organization establish a control of premiums billed so that premiums in course of collection can be accurately determined, that a proper system be installed so that amounts due physicians can be readily verified, and that the method of calculating unearned premiums be revised so that the monthly pro rata unearned premiums may be computed properly at the end of any month. The report notes also that changes have been made in the corporate structure without submitting

amendments to the Illinois department for approval (a violation of section 8 of the medical service plans corporations act), and that the number of trustees elected does not comply with the number set forth in the by-laws.

Northern Illinois Medical Service was set up in 1949, in which year it had a loss ratio of 39.9% and expenses incurred to premiums earned of 8.5%. In 1953 the loss ratio was 75.9% and the expense ratio 16.9%. The examination covers from Oct. 1, 1949 to Dec. 31, 1953, and shows assets of \$190,107, and surplus of \$93,076. Northern Illinois Medical is a member of the National Assn. of Blue Shield Plans.

FTC Proposes Mail Order Rules Repeal and Sets Hearing

WASHINGTON—Federal Trade Commission has proposed the repeal of the trade practice rules for the mail order A&S business and will hold a hearing on the proposal here July 10. The rules are said to overlap FTC's general rules for A&S. Meanwhile Assn. of Insurance Advertisers met in Kansas City June 27 to consider

the new FTC rules for A&S and the rescission proposal.

FTC examiner Hier allowed until Aug. 12 for both sides to file briefs in the case of Educators Mutual and Examiner Laughlin was to hear, June 25 in Chicago, the FTC complaint against Washington National and June 27 the complaint against Combined.

Milwaukee Managers Play Golf

Milwaukee Life Managers & General Agents Assn. held its annual golf outing at Merrill Hill country club, west of Waukesha.

How to Take a Profit-sharing Case in Stride

MENTION the term "profit-sharing case" and many a good life insurance agent has visions of something pretty technical — especially if he has never written one. And in a way the agent is right. But for R. G., an NWNL agent in northern Indiana who lined up a case involving 15 lives (we write 'em big or small), the solution was come by quickly and easily, thanks to the ever-ready help of Northwestern National Life's Pension & Tax Department. Here's how it happened:

Late in 1955 Agent R. G. advised the home office that the prospect, a small wholesaling firm, was interested in "doing something extra" for its salaried employees. He submitted an employee census sheet and general information regarding the firm's capital structure, volume of business, and the annual deposit which management was thinking of putting into a profit-sharing plan. Then he asked NWNL's P & T department for a formal proposal and instructions for getting the plan started.

After the formal proposal was submitted the employer decided to revise the annual deposit. The proposal was adjusted accordingly and returned to Agent R. G. He promptly conferred with the head of the firm, the firm's attorney, and its accountant, and the case was closed on the spot — just six weeks after R. G. first wrote the home office about it. In due course the plan received Internal Revenue Department approval.

Result: Another satisfying sale completed! another client well served. And Agent R. G. received top commissions which this year, and for many years ahead, will be a welcome "bonus" on top of his normal earnings.

It's happening every day, not only to NWNL agents but to brokers, too. Next time you as a broker get a line on a profit-sharing case that requires a technical assist, call the nearest NWNL agency or contact our Pension & Tax department directly.

NORTHWESTERN NATIONAL LIFE OF MINNEAPOLIS

40 years' experience in brokerage service

Standard of Oregon Marks 50th Anniversary

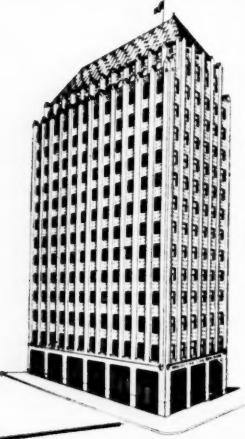
Standard of Oregon celebrated its 50th anniversary with a special Leaders Club convention at the home office in Portland. About 180 agents from Oregon, Washington, California, Utah and Hawaii attended.

The program was under the supervision of Edwin A. Phillips, vice-president and superintendent of agencies. Others taking part from the home office were W. P. Stalnaker, president, and G. E. Cannon, executive vice-president. Public officials at the

affair included Gov. Elmo Smith of Oregon and Robert B. Taylor, Oregon insurance commissioner.

Walker Heads Managers Group at San Francisco

B. W. Walker, director of agencies for New York Life at San Francisco, is the new president of San Francisco General Agents & Managers Assn., succeeding Charles H. Biesel, State Mutual Life. Arthur D. Hemphill, Equitable Society, was elected vice-president, and E. A. Ellis, Pacific Mutual Life, secretary-treasurer.



Charlie McNeil . . .

You will earn

\$25,000 this Year . . .

with PROTECTIVE LIFE



Mr. Charles E. McNeil
P. O. Box #1222
Mobile 7, Alabama

Dear Charlie,

Even though you had not sold life insurance before you took a Protective Life agent's contract 10 years ago, you have compiled a highly commendable record of success with our Company. Your production and income have steadily increased throughout your entire Protective Life career. In 1955, Protective Life paid you more than \$21,000. The previous year, you earned more than \$18,000, and the year before that, \$14,000. This year, you should earn in excess of \$25,000 on your Protective Life agent's contract.

The Company is proud of your record. It is proud, too, of its own record of growth. During the 10 years you have been an agent, Protective Life's insurance in force has grown from \$200,000,000 to \$800,000,000. The Company has doubled in size in the last four years.

While we believe that our methods, our policy contracts, and our sales material have been helpful in making these records possible, we fully realize that the greater share of the credit is due you, and the others like you who have served so well for so long.

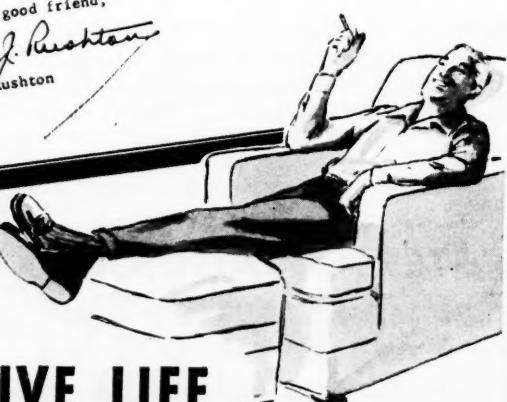
Charlie, there are any number of good companies with whom you could have achieved life insurance success. You held the key within yourself. Protective Life is grateful that you gave it the chance to provide the opportunity.

In all sincerity, we tell you: You could have done it without us; we could not have done it without you.

Your sincere good friend,

William J. Rushton

William J. Rushton
President



General Agency Openings Throughout the Southeast. Write Charles Barksdale, Agency Vice-President.

PROTECTIVE LIFE

William J. Rushton
President

Insurance Company

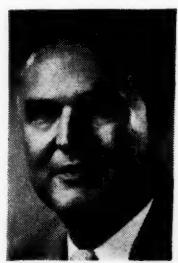
Serving the South
Since 1907

PROTECTIVE LIFE BUILDING
BIRMINGHAM, ALABAMA

COMPANY & AGENCY CHANGES

John Hancock

Earl S. Eaves becomes assistant treasurer. He has been staff assistant in the tellers-banking division of the finance department since early this year. He has been with the department since 1928, except for army service.



E. C. Whiting

Edwin C. Whiting has been appointed general agent of a new general agency in Oakland, Cal. He has been assistant general agent in Seattle. The new agency is at 1322 Webster street in the Chamber of Commerce building. Other Hancock offices in Oakland will serve residents as in the past.

Raymond S. Harrington has been promoted to assistant secretary, John A. White to director of accounting and auditing, Arthur C. Johnson and William A. Diman to assistant controllers, all in the controller's department. Mr. Harrington joined the policy department in 1917 and has been administrative assistant in the agency accounting area of the controllers department. Mr. Harrington joined the policy department in 1917 and has been administrative assistant in the agency accounting area of the controller's department since 1954. Mr. White joined the auditor's staff in 1946 and has been associate controller since 1954. Mr. Johnson joined the auditing department in 1936 and has been chief accountant in the controller's department since 1952. Mr. Diman joined the auditing department in 1942 and has been director of research and expense analysis since 1954.

Pacific Mutual Life

Ralph J. Walker, vice-president since 1949 and in charge of the group department since 1948, has been named to head the company's entire agency organization. He will continue to control policy decisions in the group department. Mr. Walker entered insurance in the actuarial department of Aetna Life in 1934 after graduation from the University of Florida. He transferred to Aetna's group department in 1936 and was an associate actuary for Aetna at the time he went with Pacific Mutual in 1948. Mr. Walker is a fellow in the Society of Actuaries.



R. J. Walker

State Mutual Life

John R. Fitzpatrick and Edmund M. Randolph have been promoted to superintendents of agencies and Robert T. Mable has been advanced to agency planning assistant with officer status.

Mr. Fitzpatrick, a CLU, joined the company as agency supervisor in 1946 and was made assistant superintendent

of agencies in 1953. Mr. Randolph joined the company as assistant superintendent of agencies last year after 10 years in the business. Mr. Mable joined in 1951 after several years' experience.

National L. & A.

Dr. B. F. Byrd has retired as medical director after 37 years of service. Dr. Lloyd C. Miller, associate medical director since 1941, succeeds him. Dr. Garth E. Fort advances from assistant to associate medical director. Dr. Byrd was secretary of the medical section of American Life Convention for five years and was chairman in 1951-52.

New York Life

Cleo F. King becomes manager at Poughkeepsie, N. Y. He joined the company at Portland, Me., in 1946, was appointed manager at Springfield, Mass., in 1950 and at Burlington, Vt., in 1951.

Northwestern Mutual

Vaughn P. Simmons has been named assistant medical director of Northwestern Mutual Life. Dr. Simmons has been with Marquette University for the past six years and since 1953 held the title of assistant professor of pharmacology.

Occidental of California

George Foosaner heads the first general agency at Somerville, N. J., with offices at 52 West Main street. Mr. Foosaner entered the business in 1951 with Continental Assurance in New Jersey.

MIDLAND MUTUAL LIFE has promoted Edwin R. Watkins to supervisor of the policy issuance division.

A. & S.

UNDERWRITING MANAGER

Age to 42, minimum 5 years A. & S. Underwriting experience, background must be in individual (not Group) underwriting. Mid-western company (not Chicago) of highest reputation, housed in very desirable area. We recommend this position for man in #2 or #3 position, ready to move into managerial spot, capable of setting up own department. All inquiries handled in strictest confidence.

SALARY ENTIRELY OPEN

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ON VESTED
BANK LOANS
RENEWALS

THREE OR FOUR
YEAR REPAYMENT

UNDERWRITERS CREDIT & GUARANTY CORPORATION

340 Pine Street, San Francisco 4, California
Southern California & Arizona Branch Office
9935 Santa Monica Blvd., Beverly Hills, Calif.

Loyal Protective Life

Jerome M. Powell has been promoted to executive vice-president and **Edward L. Doyle** and **Roland J. Splittergerber**



J. M. Powell



E. L. Doyle



R. J. Splittergerber

ber have been advanced to superintendents of agencies. Mr. Powell, a fellow of Society of Actuaries, joined the company in 1946 and has been vice-president and treasurer since 1954. Mr. Doyle, who will be responsible for administration of the agency department, joined the company as director of group sales in 1949 and has been agency assistant since 1951. Mr. Splittergerber, who will work on agency development, joined the company at Los Angeles in 1946 and has been general agent at Long Beach, Cal., since 1954.

Southland Life

James S. Harmon, formerly assistant manager at Austin, has been named manager at Tulsa, and **Henry J. Smith**, formerly home office field assistant, replaces Mr. Harmon as assistant at Austin. Mr. Harmon joined Southland Life in 1952 at Henderson, Tex., became a home office field assistant in 1954, and assistant at Austin in 1956. Mr. Smith joined the company at Albuquerque in 1954 and went to the home office in 1955.

Prudential

Seven men appointed as district managers are **Harold C. Oles** at Ridgewood, N. J., **Irving Mirsky** and **John V. Pulichino** in Brooklyn, **Frederick R. Bolta** at Hicksville, N. Y., **Herbert Palmer** at Maspeth, N. Y., **Warren Richmond** at Hempstead, N. Y., and **Frank J. Vitanza** at East New York.

Charles M. Saum has been named to head a new group office at Grand Rapids. The office will service group business in Battle Creek, Lansing, Traverse City, and Muskegon as well as Grand Rapids. Mr. Saum joined Prudential in 1934 and has had extensive group experience at the home office and in Chicago and Detroit.

Franklin LifeJohn W. W. Marshall
for the last 3½ years as brokerage

manager for the Mountain States district at Denver. Mr. Marshall is a past president of Wyoming Assn. of Life Underwriters and Cheyenne Life Underwriters Assn.

Salah Craig, Henderson, Tex., has been appointed regional manager in east Texas. Since 1936 he had been with Jefferson Standard Life and consistently was among that company's national leaders.



Salah Craig

Equitable Society

Malcolm P. Aldrich has been elected to the board. He began his career in finance and philanthropy with Edward S. Harkness in 1922 and, since 1940, has been executor and trustee of the Edward S. Harkness estate. He also is a trustee of New York Trust Co.

Robert H. Jordan, **Harry D. Garber** and **George B. Schaefer** have been appointed assistant actuary, mathema-

tician and administrative manager, respectively, in the actuary's department. Mr. Jordan joined the company in 1950 and has been a mathematician. Mr. Garber also joined in 1950 and has been assistant mathematician. Mr. Schaefer, with the company 39 years, has been assistant salary administration manager in the personnel department.

Among other appointments are **F. C. Keeney**, **R. D. Sprague**, **G. R. Stewart** and **W. H. Timm** unit managers at Hempstead, N. Y., Utica, N. Y., Newark and Detroit, respectively.

Sun Life of Canada

George Wanner, assistant manager at Pittsburgh, has been named to succeed **Milton M. Gatch**, branch manager at Cincinnati, who is resigning to become trust officer for Fifth-Third Union Trust Co. of Cincinnati, effective Sept. 1. Mr. Gatch joined the company in 1928. He was named manager in 1938.

PENN MUTUAL has promoted **Norman W. Peters** from assistant supervisor of applications and registrar to as-

sistant vice-president. He has been with the company since 1922.

U. S. Life

The **Morris Rosenblum** agency has been appointed general agent in Bayonne, N. J. Mr. Rosenblum has operated his own general insurance agency since 1930. He was with New Jersey division of motor vehicles from 1930-55 and president of a hardware firm 1935-49.

Great-West Life

William L. Benson, group supervisor for Manitoba and northwestern Ontario, has been appointed group superintendent at the head office in Winnipeg. C. W. Miller, group supervisor at Vancouver, B. C., will succeed Mr. Benson. Kevin Kavanagh, group representative at Winnipeg, has been promoted to assistant group supervisor.

G. R. Blanchard has been appointed supervisor of the southeastern Ontario branch at Kingston, and **E. J. Hoffman** has been named district manager at Sarnia, Ont., for the Windsor (Ont.) branch. Mr. Hoffman had previous life

LIFE WITH PROVIDENT

WE LIKE THIS . . .

" . . . The important feature of my experience with the Provident Life and Accident is that it offers every important item of service to its agents and policyholders.

. . . One noticeable thing I have observed is that every letter from the home office, whether by the head of a department or by a clerk, is uniformly courteous. That spirit causes the recipient, whether a claimant or applicant, to feel that he is appreciated . . ."

This letter from a successful producer states what we are trying to do for all of the fine group of men and women in the field organization.

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
Chattanooga - Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

Your Mutual Benefit Life Man says:

"Fit the insurance to the client—not the client to the policy."



Certainly, Mutual Benefit Life men are salesmen—and good ones, too. But they don't "sell" their clients into conforming with some special policy—they plan the insurance to conform with the client. That's why Mutual Benefit Life agents, like Bill O'Kane of Danville, build sound careers right from the start and win confidence and respect in the communities they serve. The Mutual Benefit Life Insurance Company, Newark, New Jersey.



experience at Sarnia before joining Great-West. Mr. Blanchard joined the company in 1953.

James O. Richards, formerly of Dallas and group representative for north Texas, has been appointed supervisor of a new group office opened at San Francisco. Mr. Richards joined the company at Dallas in 1952.

Five appointments have been made in the Toronto group office of Great-West Life. **D. M. Kallmeyer**, formerly supervisor in the Toronto I branch, has been appointed group supervisor. He joined the branch in 1953 and was appointed supervisor in 1955.

E. E. Brooker has been promoted from assistant group supervisor to associate group supervisor. He joined the company in 1948. **R. W. Nicholls** and **D. M. Hunter**, both formerly group representatives, have been appointed assistant group supervisors. **Allan McGaw** has been named a group representative.

Lincoln National Life

Alden E. Halseth and **Eugene B. Bingham** have been appointed general agents at Fresno, Cal., and La Fayette, Ind., respectively. Mr. Halseth was a civil engineer for 14 years before entering the life business 13 years ago at Clearbrook, Minn., with Mutual Life of New York. For the past eight years he has been manager at Minneapolis for Mutual of New York.

Mr. Bingham, who has been assistant director of the Purdue course for the last two years, is establishing a new agency at La Fayette. His area will include 11 counties. Mr. Halseth succeeds **Fred W. Spears** at Fresno, who will devote full time to personal production.

Richard A. Isaacson has been named associate general agent at Salt Lake City for Lincoln National. He joined the company eight years ago at Salt Lake.

Nashem Agency of **MUTUAL BENEFIT LIFE** in New York City has appointed Ted Richards brokerage supervisor. He has held the same post with New York Life and Manhattan Life.

Propose Extension of Vets' NSLI Eligibility

The Senate finance committee has approved an amendment to the administration's military survivors benefit bill to provide a 1-year period during which World War II or Korean War veterans may reinstate lapsed national service life insurance policies or obtain these policies for the first time.

The amendment, proposed by Sen. Long of Louisiana and endorsed by 52 other senators, came as a surprise. It had been opposed by Veterans Administration and Bureau of the Budget. The military survivors benefit bill already has passed the House.

Sen. Long estimated the project's cost would not exceed \$4 million. He said many veterans, who had no family responsibilities and failed to obtain the low cost NSLI when they had the opportunity, now wish they had purchased it.



Alden E. Halseth

Detroit Leads Large Cities in Increase in Ordinary Sales in May

Detroit led large cities in percentage increase in ordinary life sales in May with 20% and Cleveland led in the first five months with 25%, according to LIAMA.

Percentage increases in ordinary sales in other large cities in May and the five months, respectively, were: Boston 7 and 8, Chicago, 5 and 12, Los Angeles, 11 and 14, New York City, 6 and 9, Philadelphia, 3 and 7, and St. Louis, 8 and 10. Detroit's percentage increase in the first five months was 7, while Cleveland's gain in May was 19.

Nebraska Insurance Institute Elects Munson

Harold A. Munson, Guarantee Mutual Life, has been elected president of Insurance Institute of Nebraska, succeeding John R. McCown, Bankers Life of Nebraska. Don F. Huffman, Security Mutual Life of Nebraska, is the new secretary-treasurer. The institute is an association of 290 executives and administrators from Nebraska domiciled life companies.

Cincinnati Life Agents Elect Ives President

CINCINNATI—New officers and directors of Cincinnati Life Underwriters Assn. are Robert F. Ives Jr., Massachusetts Mutual Life, president; W. L. Harrison, general agent, Aetna Life, vice-president; Polk Laffoon, Mutual Benefit Life, secretary, and Paul Lanning, manager Western & Southern Life, treasurer. J. H. Farrar, general agent, Connecticut Mutual Life, is state committeeman and W. J. Mack, Northwestern Mutual Life, continues as national committeeman.

New directors are R. A. Hagerty, Massachusetts Mutual Life; E. J. Hanlon, Provident Life & Accident; W. J. Kumpf, John Hancock; R. B. Mecklenborg, Northwestern Mutual Life; C. H. Nemenz, Metropolitan Life and J. N. Sarakatsannis, Provident Mutual Life.

Mr. Ives, a member of Million Dollar Round Table, entered the business in 1951. He served as vice-president of the association last year and became a director two years ago.

Life Agents Want More, Not Less Supervision

Life agents want more instead of less supervision, C. E. Gaines, vice-president and agency director of Tennessee Life of Texas, told San Antonio Life Managers Club. He said managers often outline a time control plan for the agents but rarely take time to see whether that plan actually is being followed. Mr. Gaines said that a survey among several classes at Southern Methodist Institute indicated that almost 100% of the students would like it if they were required to learn a sales talk by heart and also be shown how to present that talk effectively.

Old Line Life Agents Meet at Wis. Resort

Agents of Old Line Life of Milwaukee gathered at Three Lakes, Wis., for a four-day business conference. Top producers were inducted into the company's Star Leaders Club at the affair.

Lee N. Parker, administrative vice-president of American Life Convention, addressed the closing session. Home office personnel appearing on the business program were J. H. Dag-

gett, chairman; Mearl F. Ryan, president, Forrest D. Guynn, vice-president; Warren J. Moore, executive vice-president; E. W. Beresford, assistant secretary; Forest Talbot, superintendent of agencies, and James Henderson, supervisor of sales training.

Complete Framework of Mutual Benefit Office

Mutual Benefit Life held a "topping out" ceremony to mark completion of the steel framework of the new home office being constructed on Broad street, Newark.

Chairman W. Paul Stillman and President H. Bruce Palmer placed a chromium-plated steel bolt in a steel girder which was hoisted to the top most part of the framework on the 20th floor. The bolt was presented by W. A. Hughes, president of New Jersey Bell Telephone Co., on behalf of companies located in the area. Identical mounted and inscribed chromium plated bolts were given to Mr. Stillman and Mr. Palmer.

Surrounding firms paid tribute to Mutual Benefit for its efforts to reduce construction noise. The entire steelwork was machine-bolted together, which is not as noisy as the riveting process.

Prudential has opened a district office at Speedway, Ind., with Doyle M. Wilcox as manager.

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NEWS OF LIFE ASSOCIATIONS

California Life Agents Elect Reneau President

Thomas W. Reneau, Northwestern Mutual Life, Modesto, was elected president of California Assn. of Life Underwriters at its annual meeting in Sacramento. Emmett G. Velthouse, Northwestern National Life, Pasadena, was elected vice-president; Harry R. Pinney, Bankers Life of Nebraska, secretary, and Edward Neisser, Los Angeles, treasurer. Executive committee-man for northern California is George C. Dankwerth, Lincoln National Life, San Francisco, and Richard K. Wilson, New York Life, San Diego, committee-man for southern California.

At a joint breakfast of the association and Sacramento Chamber of Commerce, Holgar Johnson, president of Institute of Life Insurance, discussed "Looking into Tomorrow," in which he reviewed trends and indications which give promise of continued progress and prosperity in the nation. Other speakers include Ann Bickerton, NALU director of field services, and Lester O. Schriver, NALU managing director. State assemblyman Ralph M. Brown of Modesto spoke on "Legislative Process from Grass Roots to Sacramento."

Says Bank Loan Plan Not for Street Agents

Edwin T. Golden, New York Life, San Francisco, in a talk before the annual meeting of Los Angeles Life Underwriters Assn. deprecated the use of the bank loan plan by the street agent generally but did suggest the plan could be used, if correctly used, to meet situations that might arise. Mr. Golden declared that the first duty of life insurance is to protect widows and orphans. In discussing "Let's Make Taxes Work for Us," he said that under the numerous new coverages available there exists no reason why taxes should take away the benefits of life coverage from widows and orphans.

Charles P. Houseman, Guardian Life, was elected the new president of the Los Angeles association, succeeding Earl Winburn, New York Life. Ralph W. Fischer, Northwestern Mutual Life, and Robert A. Brown Jr., Pacific Mutual Life, were elected vice-presidents and T. R. Macaulay, State Mutual Life, secretary-treasurer.

Form Hollywood Branch of L.A. Agents Association

The fourth branch of Los Angeles Life Underwriters Assn. has been organized at Hollywood. Officers are Irving H. Schuman, Metropolitan Life, president; Keith Wentzell, John Hancock, 1st vice-president; Stephen Singer, Equitable Society, 2nd vice-president, and Lou Levine, Prudential, secretary-treasurer.

Oakland-East Bay Life Agents Pick Cartwright

John B. Cartwright, Occidental Life of California general agent, is the new president of Oakland-East Bay Life Underwriters Assn. Other officers are Walter A. Streb, Aetna Life; Wilbur D. Gieseke, Metropolitan Life; Howard Taylor, Phoenix Mutual Life; and Harry R. Pinney, Bankers Life of Nebraska, all vice-presidents; Thomas C. Peek, Prudential, secretary-treasurer, and Sam G. Denner, State Farm Mutual, national committeeman.

Buffalo Elects Knox

Clayton T. Knox, Mutual of New York, has been elected president of Buffalo Assn. of Life Underwriters

to succeed Richard H. Berry, district manager of Metropolitan Life.

Also elected were Allen O'Donnell, general agent of Equitable Life of Iowa, 1st vice-president; Howard J. Woods, district manager of Prudential, 2nd vice-president; Paul J. Maloney, National Life of Vermont, secretary, and Clay W. Hamlin Jr., general agent of Mutual Benefit Life, treasurer.

D. C. Assn. Honors Late Acacia President; Huppeler Decrees Taxes

District of Columbia Assn. of Life Underwriters presented a plaque to President Howard W. Kacy of Acacia in honor of the late William Montgomery, who served as company president for 62 years.

J. Hicks Baldwin, general agent of New England Life and outgoing association president, made the presentation at a luncheon meeting. The memorial plaque lauded Mr. Montgomery, who died recently, for his service and achievements in life insurance and for his continued interest in the association.

Lambert M. Huppeler, vice-president of New England Life, said the government imposes an almost stifling penalty as the price of success on those who work hard. The 52% corporation tax originally was conceived as a means of drawing off excess profits from war production. Since there is no longer a national emergency and practically none of the corporations are paying the tax on war profits, there is hardly any justification for continuing such a steep penalty to free enterprise.

Even this is relatively mild compared to the penalty imposed on some individuals as a reward for hard work, since many persons get to keep only eight cents out of every dollar earned of the top income dollars, Mr. Huppeler said. The present revenue code is destructive. It tends to destroy the initiative of the more brilliant and industrious figures in industry.

Start Branch of S. F. Life Agent Group at Eureka, Cal.

A branch of San Francisco Life Underwriters Assn. has been organized at Eureka. Several active agents in the far north and lumber section of California have long been non-resident members of the San Francisco association. This coupled with the increase of business in the Eureka area led to the establishment of the branch which starts with a membership of 30. James L. Marvel and Wilfred Brown, both of West Coast Life, are president and secretary respectively of the new organization.

Rochester Assn. Elects Galton

Rochester (N.Y.) Assn. of Life Underwriters has elected Howard A. Galton, Metropolitan Life, president; Robert Williamson, Connecticut Mutual, vice-president, and Arthur Holtzman Jr., Companion Life, secretary.

Plan Indiana Insurance Week

Indiana Assn. of Life Underwriters is considering a state-wide "Insurance Week." Ralph Stewart, Ohio State Life general agent at Muncie, headed a successful life insurance week in his city two years ago and has been asked to be chairman for the committee planning the state event.

Durham Assn. Elects Reynolds

Durham Assn. of Life Underwriters has elected W. A. Reynolds, manager of Jefferson Standard Life, president; John W. Chappell, district manager of Home Security Life, vice-president, and C. Wesley Gilbert, John Hancock, secretary.

Thomasville, N. C.—Henry Lowder has been elected president, R. L. Day 1st vice-president, D. E. Taylor 2nd vice-president, J. C. Grimes secretary, and Paul C. Ward national committeeman.

Beloit, Wis.—New officers of the Southern Wisconsin Assn. are Earl Fugate, Phoenix Mutual Life, Janesville, president, succeeding George M. Hickey, North American Life of Chicago, Janesville; William Gores, Bankers Life, Beloit, vice-president, and Donald Mings, Beloit, secretary-treasurer.

Hannibal, Mo.—William D. Botter, Metropolitan Life, Hannibal, was elected president of the Northeast Missouri association, succeeding Paul Gore, Connecticut General Life. Edwin S. Wilson, State Farm Life, was named vice-president, and Adrian B. Wood, Life & Casualty of Tennessee, treasurer.

Austin—New officers are A. J. Clare, State Farm Life, president; John L. Murth, American General Life, vice-president; Emmett S. Sutton, Prudential, secretary, and Lou Troiano, John Hancock, treasurer.

Speaking at the installation meeting was E. Dale Shepherd, Connecticut Mutual Life, Houston, who discussed "Selling Retirement Income."

Des Moines—Harter B. Hull, Prudential division manager, was elected president; Harold Stein, Metropolitan Life manager, vice-president, and Paul A. Spennrath, State Farm Life, secretary-treasurer.

Stevens Point, Wis.—C. C. Somers, Bankers Life of Iowa, Stevens Point, was elected president of Central Wisconsin Life Underwriters Assn., succeeding W. R. Kenney, New York Life; Walter Walschaeger, Security Mutual Life, Marshfield, was elected vice-president; and R. F. Corcoran, Stevens Point, secretary-treasurer. N. M. Daly, Northwestern Mutual Life, Wisconsin Rapids, was elected national committeeman.

Milwaukee—Harry A. Taylor, John Hancock, was elected president, succeeding Aubrey Comey, National Life of Vermont. Other officers are Herbert L. Engel, North American L. & C. and Dale A. Simpkins, New York Life, vice-presidents; Paul von Paumgartten, Mutual Benefit Life, secretary, and Leonard S. Wolfe, Acacia Mutual Life, treasurer. Life Assoc.

Indianapolis—Charles A. MacCotter, Northwestern Mutual Life, was elected president; Robert A. Walz, New England Life, and A. C. Kalkoske, Prudential, both vice-presidents; Richard Mueller, Provident Mutual Life, secretary, and Benton H. Burns, Massachusetts Mutual, treasurer.

San Antonio—Phil Shrader, Southwestern Life, was elected president; Christopher Goldsmith, New England Mutual Life, vice-president, and Tom Mock, Aetna Life, secretary-treasurer.

Akron—Philip G. Horan, Northwestern Mutual Life, has been elected president; Edward J. Adams, executive vice-president, and Harry W. Fraze, Dominion Life, vice-president.

Poughkeepsie, N. Y.—Mrs. Lillian L. Joseph, Home Life, New York City, discussed the women's market and methods of selling.

El Dorado, Ark.—B. Wayne Donihoo has been elected president, Charles Dews, vice-president, and M. L. Coleman, secretary-treasurer.

Savannah—John F. Hudson, director of Better Business Bureau, spoke. President John C. Watkins, Life of Virginia, and his staff of recently elected officers were installed.

Green Bay—New officers are C. P. Burkart, Metropolitan Life, president; A. B. Bedell, National Guardian Life, vice-president; Robert C. Wood, secretary, and Donald J. Smeister, treasurer. James Quigley, Mutual Trust Life, is national committeeman, and Stanley Kresky, National Guardian Life, state director.

St. Paul—New officers are Robert Utne, manager, Penn Mutual Life, president; J. Peter Devine, general agent, Occidental Life of California, 1st vice-president; Leo Wells, 2nd vice-president; Hale O'Malley, secretary and William Nelson, treasurer.

Sheboygan, Wis.—William B. Lynch, an attorney at the home office of Northwestern Mutual Life, discussed corporate life insurance at the June meeting. Members of the Sheboygan County Bar Assn. were guests.

Pontiac, Mich.—Ben J. Shaw, Life of Virginia, was elected president, succeeding Harvey Perry. Other officers are Olin LaBarge, 1st vice-president-secretary, David Speer, 2nd vice-president; Richard Minewaser, 3rd vice-president, and Verne Hartman, treasurer.

Lansing, Mich.—Evans E. Boucher, Kansas City Life, was elected president, succeeding George Guerne, Ohio National Life. Other officers are John H. Forshar, 1st vice-president, and Fred E. Colwell, 2nd vice-president.

FRATERNALS

W.O.W. Issuing Pilot Cover at Standard Rates

Woodmen of the World, Omaha, is now issuing standard insurance to scheduled airline pilots and crew members flying within the western hemisphere or between United States and Europe or South America or Hawaii. Private pilots age 27 or more with over 400 hours solo experience and flying less than 110 hours annually, also will be granted standard coverage.

Maccabees to Increase Refunds by 40% on Jan. 1

Maccabees is increasing its refund scale by 40% effective Jan. 1, 1957. The net interest rate earned by Maccabees during the last three fiscal years was 3.67% in 1953, 3.81% in 1954, and 3.91% in 1955. This record, in addition to improved mortality experience, were factors in a decision to increase refunds.

WOW, Omaha, Honored for TV

"Quest for Valor" a special television play written for the 65th anniversary of Woodmen of the World, Omaha, has won the Chicago Federated Advertising Club's achievement award for 1955's outstanding network television drama. Jewell Radio & Television Productions of Chicago, which produced the play, shared in the award.

The prize-winning play is a gripping story of heroism and brotherly love. It was especially written and presented June 6 over 43 television stations and 88 radio stations for the anniversary celebration.

Elect at Milwaukee

Milwaukee Fraternal Congress elected William A. Gardner, Loyal Order of Pilgrims, president; Merle Darrell, National Fraternal Flag Day Foundation, vice-president; Lillian Eicholz, Western Bohemian, secretary, and Lillian Sharen, Degree of Honor Protective, treasurer.

McMurtry Replaces Warren at Lincoln National Foundation

Louis A. Warren has retired as director of Lincoln National Life Foundation and is succeeded by R. Gerald McMurtry, who returns to the foundation after an absence of nearly 20 years during which he served on the faculty of Lincoln Memorial university, Harrogate, Tenn. Mr. Warren becomes director emeritus of the foundation, concluding 28 years as its head. The change is effective July 1. Both Mr. Warren and Mr. McMurtry are Lincoln scholars and hold doctorate degrees. As head of the foundation, Mr. McMurtry will assume direction of what is believed to be the greatest collection of information ever assembled about Abraham Lincoln or any other man with the exception of Biblical characters.

Carl A. Thomsen has been appointed assistant to the treasurer and auditor of Lutheran Brotherhood. Mr. Thomsen formerly did public and private accounting work in Cedar Rapids.

Life Investments Rise in Canada

Life insurance assets in Canada invested in corporate bonds represented 55% of all such bonds outstanding in the dominion last year, according to a study made by Canadian Life Officers Assn. for Royal Commission on Canada's Economic Prospects. A projection of new corporate security financing indicates that total life funds invested in corporate bonds may reach \$8 billion by 1980, or 4½ times the figure today.

EDITORIAL COMMENT

Another Memorable Battle of Trenton

It was a thought-provoking experience to watch the president of the biggest insurance company in the world flatly and vehemently opposing the president of the second largest insurance company in the world on a matter of basic importance to the entire industry. So it was no wonder that the assembly chamber of the New Jersey legislature was well filled last Friday as the friends and foes of the variable annuity, led respectively by President Carroll M. Shanks of Prudential and Frederic W. Ecker of Metropolitan, spoke on three bills that the Prudential wants passed.

Seldom, perhaps never, has there been such a clean-cut division of opinion on a matter of such fundamental importance. Seldom has there been such an "either-or" situation: There is no comfortable middle ground for reconciling the different views. Prudential believes the variable annuity is so good that it should be written in spite of all the arguments that have been made against it. Metropolitan believes it is so bad, or at least so unsuitable to issuance by a life company, that no life company should be permitted to issue the contract.

When the two biggest insurance companies, along with their respective adherents, line up so definitely on opposite sides of so important a question as the issuance of variable annuities, one can only fall back on the over-used statement that there is much to be said on both sides.

To quote another saying, it's a road that has a ditch on both sides. Does the danger that some people may fail to understand the variability of the variable annuity outweigh the benefits they would receive if inflation continues, as most economists agree it will? Does the variable annuity's indicated correlation with living costs outweigh the chance of stock yields failing to follow cost-of-living trends? Is there greater danger of criticism from the public from failure to help meet the inroads of inflation than there would be through disappointment at lowered yields in a period of declining stock prices?

Is there a greater risk of inviting federal regulation by issuing a plan over which the Securities & Exchange Commission claims jurisdiction than there would be in letting mutual funds, for example, issue annuity contracts under SEC jurisdiction, which could then be extended to other insurers issuing contracts involving life contin-

gencies?

It is obvious that there is a sizeable element of calculated risk in connection with any decision on the variable annuity but it is not eliminated by just refusing to have any part of it.

The need for the most effective possible hedge against inflation is all too obvious to anyone who has seen the value of his life insurance cut in half by inflation. We sincerely hope that those who believe there will be no more inflation are right and the majority of economists, who predict continuing price rises, are wrong. We also hope that our house won't burn down, yet we don't begrudge the tax money that supports the fire department.

The arguments advanced by Metropolitan against the issuance of variable annuities by life companies are obviously sincere and not self-serving. They should be weighed carefully by the variable annuity's proponents and we are sure they have been. We devoutly wish that some anti-inflation device could be found that would be completely free from the objections raised against the variable annuity—just as we wish there were some instantaneous, automatic, fully reliable, inexpensive fire-extinguishing system that would eliminate the need for fire departments.

The extent to which the life insurance buyer is gambling on inflation would quickly become apparent if one were to suggest seriously that a life company pay off its claims on the basis of the then prevailing cost-of-living index. No company of course could think of doing this—because of the danger that the cost of living might be considerably higher than it was when the premiums were figured. So who holds the bag? The policyholder, of course, even though he does his best to mitigate the risk by investments based on equities.

Inflation has often been likened to cancer and the remedies for it might be likened to those used for cancer. As with cancer, the question is not whether the remedies proposed are ideal ones, completely effective in every case. It is rather, Are the remedies preferable to the disease? Some remedies are and some remedies aren't, but in the case of the variable annuity there is so much being said on both sides that it seems probable that the right answer will be forthcoming.

Reinsurance Investment Corp. of Birmingham has filed with securities

and exchange commission a statement seeking registration of 2,485,000 shares of common stock to be sold at \$2 a share, with the first \$3 million of net proceeds being used to purchase or organize a life company to be known as Reinsurance Co. of the South and the balance being used toward acquisition of other insurance companies.

Union Life in 1920 along with his father, the late J. Wythe Walker and J. E. Felker. He was named secretary and chief executive officer of the company at the age of 21 and served in that capacity until 1945 when he was named president. He is a past regional vice-president of American Life Convention.

PERSONALS

Joshua B. Glasser, general agent at Chicago for Continental Assurance, is a cousin of Robert Briscoe, new Lord Mayor of Dublin, Ireland. Mr. Glasser settled in Chicago after coming from Ireland soon after World War I.

G. L. Bannister, auditor for Pacific Mutual Life, has been reelected president of Plaza Community Center, an agency of Los Angeles Community Chest.

Harry J. McCallion, assistant general counsel of New York Life, presided at the annual dinner of Fordham Law Review Assn. in New York City.

Julian D. Anthony, president of Columbia National Life, and his family are on a 10-week tour of Great Britain and Europe.

Chester O. Fischer, vice-president of Massachusetts Mutual Life, has been named a member of the committee on economic policy of U. S. Chamber of Commerce. He will continue on the membership committee.

JOHN J. HUGHES, 84, former Des Moines general agent for Northwestern Mutual Life, died in a hospital after suffering a stroke. He had been hospitalized for 11 weeks. Before his retirement in 1945, Mr. Hughes spent 43 years with Northwestern Mutual, 25 of them as general agent at Des Moines. He also was a general agent at Oklahoma City and a district agent at Council Bluffs, Iowa.

EARL T. DEMOE, 58, president of Benefit Association of Railway Employees, died in a Chicago suburb hospital at Evanston. A son of one of the founders of the association, Mr. DeMoe went with the company in 1928. He was sales director for several years and was elected president in 1954.



E. T. DeMoe

WILLIAM B. PARSONS, who retired in 1944 as vice-president of Equitable Society, died. He joined the company as assistant to the mortuary registrar in 1899 and was appointed vice-president in charge of the department of policy claims in 1936. After retirement, he served on the policy committee until 1953.

THEODORE R. CONRAD, 50, division manager of Unity Mutual Life, Chicago, died.

JOE D. MORSE, 79, chairman, retired president, and founder in 1929 of Home State Life, died of a heart attack. As president between 1929 and 1952, Mr. Morse guided the company from a small beginning in two rooms to a large operation, now centered in a six-story home office at Oklahoma City. Mr. Morse was succeeded as president in 1952 by his son, Norman A. Morse. The senior Mr. Morse was Oklahoma vice-president of American Life Convention 1936-48 and president of Life Insurers Conference 1949-50.

FRANCIS J. HARAN, 40, assistant secretary of the A&S Department of Connecticut General Life since 1950, died after a brief illness. He had been with the company 33 years.

JOHN P. SMITH, 60, district manager of Prudential at Poughkeepsie, N. Y., died.



ELMO WALKER

Rock hospital following a brief illness. Mr. Walker was one of the founders of

NATIONAL UNDERWRITER

—Life Insurance Edition
EDITORIAL OFFICE:
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Executive Editor: Robert B. Mitchell.
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Mutual of New York Raises Russell, Lindley; Sillaway Resigns

Philip A. Russell has been promoted to vice-president for securities investment of Mutual of New York. He succeeds Stuart F. Sillaway, who has resigned to become president of Pacific Northwest Pipeline Corp. Mr. Russell was formerly 2nd vice-president for securities investment. He is succeeded in that position by Allen L. Lindley, who becomes 2nd vice-president for securities investment and treasurer. Mr. Lindley has been assistant manager for securities investment since 1952, and last April was made treasurer as well.

After more than 20 years with the First Boston Corp., Mr. Russell joined Mutual in 1942 as an industrial specialist.

CLU Chapters Receive Public Relations Book

American Society has published *Handbook of Public Relations* which is being distributed to presidents of local CLU chapters as a guide for their public relations programs.

The 54-page booklet is divided into 12 sections. The first section cites the value of good public relations and the need to create a friendly attitude toward chapters. The second points out that public relations is built on excellent performance and willingness to tell what an organization does. The third and fourth describe the various "publics" with which a chapter comes into contact. The fifth tells how to select public relations targets and find out how they feel about the chapter.

The sixth and seventh sections discuss media for carrying the story to the public. The eighth explains how to obtain effective newspaper publicity, giving definite procedures to follow. The ninth advises that the way to get into the news is to do newsworthy things. The next tells how meetings can be made effective and newsworthy.

The 11th and 12th sections give additional tips on how to complete the public relations program.

Richardson Speaks to LAA Workshop

(CONTINUED FROM PAGE 1) ing the program and stressing the importance of sales promotion as a "major arm of life insurance marketing." A. H. Thiemann, 2nd vice-president of New York Life, outlined several steps for working with top management.

Other LAA members on the workshop faculties were Alan Beck, New England Life; John Buckley, Guardian Life; Paul Duling, Postal Life; Mary Flanagan, Mutual Benefit Life; Seneca Gamble, Massachusetts Mutual; Leighton Harris, New England Life; William C. Heimburg, New York Life; Herbert J. Kramer, Travelers; Alice Lownes and William Reimer, Provident Mutual; Richard Sieber, Equitable Society, and Paul Troth, New York Life.

The workshops were planned by the educational committee, headed by Mr. Heimburg. Mr. Duling served as business manager for both sessions, and Mr. Buckley as promotion director.

Credit Life Increases to \$14,750,000,000

Twenty-eight million individual loans or time sales were covered by credit life policies at the first of the year, and the total amount covered represented nearly half of all outstanding consumer credit in the U. S., according to Institute of Life Insurance.

Credit life has grown from \$365 million at the end of World War II to \$14,750,000,000 at the start of 1956. Last year, the number of loans rose by 7 million and the amount covered climbed by \$4.5 billion. Credit Life has increased by 4,000% since 1945, when its real growth began.

The average amount covered per policy in 1955 was \$530, a slight increase over 1954, up 47% in five years and three times the 1945 average.

Income Tax Foe Talks Before Chicago Agents

In a talk before the Chicago CLU chapter and Life Underwriters Assn., T. Coleman Andrews, chairman of American Fidelity & Casualty, repeated his insistent plea for a complete study of the whole U.S. revenue system, especially income tax, which he considers intolerably unfair, ponderously complicated and possibly unnecessary.

Among his objections to income tax were (1) It robs the people of their guarantee of privacy and property rights as established by the fourth article of the Bill of Rights, and (2) It is unbelievably confusing, too expensive to administer and even more expensive to comply with.

"Despite the serious defects," Mr. Andrews said, "I do not call for peremptory repeal, nor do I indicate any preference for a substitute sales tax or any other kind of tax."

"All that I ask for is that a Hoover-type of commission be appointed to analyze and study the revenue problem. Until such a commission is appointed, I will not be drawn into any argument about the merits of any form of tax." Mr. Andrews was pressed by reporters to suggest some substitute for income tax, but he refused to do this, although he admitted he had given the matter a lot of thought.

"Furthermore," Mr. Andrews said, "notwithstanding my distaste for the income tax law, I shall continue to comply with it voluntarily as long as it is the law of the land, and I urge everyone else to do the same." Mr. Andrews, who served in the Eisenhower administration as director of internal revenue for 33 months and presided over the collection of \$180 billion in taxes, said he did not find that post inconsistent with his views on income tax. He said he had a job to do under the law and he did it. Mr. Andrews resigned his government post last fall and became chairman of American Fidelity & Casualty of Richmond.

Smith Heads Dallas CLUs

J. Frank Smith, Dallas branch manager for Southland Life, has been elected president of Dallas CLU chapter, succeeding Henry W. DuBois, Minnesota Mutual Life. Lloyd Silberberger, Connecticut Mutual Life general agent, was elected vice-president, and George C. Powell, New England Life, secretary-treasurer.

Rhode Island CLUs Elect Holden

Rhode Island CLU chapter has elected Richard K. Holden, general agent of Columbian National Life in Providence, president to succeed Charles W. Paige, Massachusetts Mutual, Providence.

Also elected were Robert E. Olmstead, Mutual Benefit Life, Providence, vice-president; Leo A. Pion, John Hancock, Pawtucket, secretary, and Michael A. D'Orlando, Lincoln National Life, Providence, director for two years.

Texas Board Refuses to Relicense Time Life

The Texas Insurance Commission has unanimously refused to relicense Time Life of San Antonio after a 2½ day show cause hearing, the longest held in recent months. Time Life's license expired May 31 and it was not relicensed by the commission on the basis of the Dec. 31, 1955, financial statement of the company.

Wrong Picture Used in Obituary Item on John P. Lynch of Omaha

The picture which accompanied the obituary notice of John P. Lynch, manager of Northwestern National Life, Omaha, in last week's issue was actually that of John P. Lynch, who is general agent of John Hancock in St. Paul. The identical names and the fact that both men started in insurance in Minnesota contributed to the error, which included background information in the obituary that applied to John Lynch of the Hancock and not to John Lynch of Northwestern National.

St. Louis Bank Offers Free Life Insurance to New Depositors

ST. LOUIS—Hampton Bank of St. Louis which recently opened for business, is endeavoring to stimulate new savings accounts by offering up to \$3,000 free life insurance protection to men depositors. The insurance plan is available to persons under 60 years of age. The amount of life insurance that would be paid would match the amount of money on deposit in the savings account up to \$3,000, applying to new savings accounts of \$250 or more. After the age of 60 years the depositor could continue the life insurance by converting to ordinary life insurance without the necessity for a physical examination.

Sentinel Life Organized in N. C.

Sentinel Life Insurance Co. of Greenville has been incorporated in North Carolina and will sell life, annuities and A&S. Its \$1 million authorized capital stock consists of 100,000 shares with \$10 par value, of which 30,000 will be sold at \$20 a share.

LET'S TALK IT OVER

Challenging opportunities are available for experienced and capable life insurance executives

We are the young rapidly expanding MAINE FIDELITY LIFE INSURANCE COMPANY whose advertising has frequently carried the caption "LET'S TALK IT OVER".

And in every section of the nation, we are pleased that we are having the opportunity to talk it over with a great many outstanding men in the Life Insurance field who believe in the philosophy of our Down-East Maine group and who recognize, as we do, the many challenging opportunities that exist in our program of nation-wide expansion. A substantial number of men from high places in the industry as well as many experienced General Agents and Agencies already have joined the growing MAINE FIDELITY FAMILY.

We are rapidly becoming licensed in various states from coast-to-coast. The record is probably unparalleled in insurance company history. We have every reason to believe that our company has great national potential. Progress far beyond our expectations the past few months confirms this belief. Our management is able, experienced, and aggressive, yet with the recognized conservatism of our Pine Tree State. Our financial position is strong. We have every requirement that a young Life Insurance Company should have for sound and substantial growth. We have a complete line of Life, Accident, Health and Hospitalization policies, attractive rates, and a commission scale that indicates our understanding

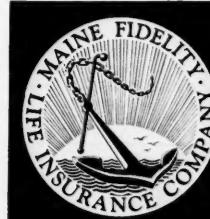
of the value of real producers in the field.

Our Companion Company, MAINE FIDELITY FIRE AND CASUALTY COMPANY, has been organized to write Fire, Theft, Marine, Bonding, Liability and Automobile Protection. The advantages of being able to offer Multiple line coverage are well recognized.

A ground floor opportunity such as we can offer is seldom available to General Agents, Agencies, Field Underwriters and others. Also, we have opportunities in our home and regional offices for executives who are seeking broader fields in which they can expand their earnings. Our program for assisting our General Agents and their agents to build substantial income is attracting wide interest because it is novel, aggressive and effective. Our agencies and executives will participate in the growth and progress of our Company under a plan that will greatly interest all men who are seriously thinking of their future.

In the belief that you will find us the kind of people with whom you would enjoy working, we repeat again in all sincerity, "LET'S TALK IT OVER".

You are cordially invited to write to our Vice President in Charge of Sales, Herbert L. Rackliff. Correspondence will be treated in complete confidence. The opportunity to exchange ideas fully and frankly may be advantageous to us both.



MAINE FIDELITY LIFE INSURANCE COMPANY

Created by Authority of the 97th Maine Legislature — Maine's only Stock Life Company

HOME OFFICE:
83-87 Exchange Street, Portland, Maine

We would be glad to add your name to our mailing list to receive regularly, without obligation, "THE MAINE FIDELITY STORY", a monthly publication devoted to the activities of the MAINE FIDELITY COMPANIES and the people who are playing important roles in their progress.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

SPECIAL OPPORTUNITY FOR PERSONAL PRODUCERS

In Ohio, Virginia, North Carolina, Tennessee, Georgia, South Carolina, Alabama or Indiana.

If you reside in any one of these states If your paid business was over \$400,000 last year

If your lapse rate was below 18%

If you want to expand your operations and income

THIS IS YOUR OPPORTUNITY

If you would like the highest commissions in the industry on personal business

If you would like to appoint sub-agents and, after giving them a top commission contract, receive an override commission

If you would like to have these advantages plus group insurance, hospitalization and personal pension plan. With a major mutual company, life, group, group hospitalization, etc. Then ask about our

EXCLUSIVE GENERAL AGENCY FRANCHISE

In your first letter give (1) personal details about yourself (2) your life insurance history and record (3) small photo or newspaper or magazine picture of self. (Not returnable.)

All communications strictly confidential. Our field organization knows about this advertisement.

ADDRESS: Box N-24, c/o
The National Underwriter Co.,
175 W. Jackson Blvd.,
Chicago 4, Ill.

CLAIMS MANAGER HOME OFFICE

A New York Company has opening for an experienced Life, Accident and Health and Group Claims Manager to head department in Home Office.

Please give experience in each line. Replies kept confidential.

Our Claims Staff is aware of this ad.

Write Box NY-51, Advertising Dept., c/o
The National Underwriter Co., 99 John
Street, New York 38, N. Y.

AGENCY MANAGERS WANTED

To spearhead expansion program of one of nation's top fifteen life companies, 26 appointments will be made this year in U.S. and Canada. Prompt, confidential interviews will be granted qualified applicants. Send complete résumé to: Box #K-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

SENIOR HOME OFFICE UNDERWRITER

Billion dollar company in a midwest city of one-half million in size is in need of a Senior Underwriter with at least 4 to 6 years of technical underwriting experience. This is a well-established company of strength and stability writing a large volume of new business. Nice employee benefits and good retirement program. Starting salary will depend on experience and education. Age limits 30-45. In applying, give pertinent facts in first letter as to age, education, present salary, experience and present approval limits. All replies strictly confidential. (Our personnel have been advised of this ad.) Address Box N-11, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CREDIT LIFE EXECUTIVE

New England Life Company, with conservative yet aggressive management, has an opening for a thoroughly experienced executive with a substantial record of accomplishment in the credit life field. The man selected will be given the responsibility of heading up and developing this division of our business. Especially attractive financial arrangement will be available to the man selected.

Write fully and in confidence. Box N-3, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

COMPANIES ATTENTION!

I am a man with H. O. experience who can recruit, create, inspire, and BUILD A COMPANY, agency by agency . . . who can set up and sensibly utilize recruiting, training, and financing systems . . . from ground up . . . Master Motivator . . . Public Speaker . . . TOP SALESMAN . . . under 40 . . . Now am a Director of Agencies . . . current record available . . . seek major career with sincere small to medium company as top H. O. Agency Man. Address Box N-19, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GROWING CALIFORNIA COMPANY

Has two openings for men to develop monthly debit systems in Los Angeles County. If you have proven sales ability and seek a career opportunity with a top contract, generous starting pay, plus commission, plus bonus, plus liberal company benefits, plus a chance to work into management—then, for a prompt confidential interview send a complete resume at once to Box M-93, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Life insurance man with some actuarial experience, also knowledge of credit life and health and accident, to manage small Midwest capital stock life insurance company. Prefer individual willing to make investment in the company for production incentive. Write Box 683, Yankton, South Dakota.

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However, only 25% of the neighbors recalled that their agents had shown them how to provide retirement income, and only 33% recollect that they had been helped to plan an insurance program. Only 26% felt they had been shown how to get better protection from the policies they already had.

What does the public think of the methods of approach used by agents generally when offering life insurance service? Both Home Life policyholders and their neighbors responded favorably when asked "Did you like your agent's method of approach?" Ninety percent of Home Life policyholders answered with an unqualified "yes," as did 87% of their neighbors, none of whom were Home Life policyholders.

In concluding its report on the survey, the Roper organization stated

that Home Life's planned estates concept is highly regarded and appears to be doing the company a great deal of good; it is serving primarily to strengthen the company's agent in the clients' minds and to impress them with the actual service rendered; and such weaknesses as do show up are relatively small and probably such as can be rectified within the planned estates concept.

Home Life's president, William P. Worthington, sees in the survey a hearty "vote of confidence" for the American agency system. He points out that again and again the answers of Home Life policyholders and their neighbors revealed a strong consciousness of the caliber of the agent and his services.

"This would seem to indicate" Mr. Worthington said, "that the best buy in life insurance today is the services of a carefully selected, well trained life underwriter. And the Roper survey reveals rather clearly that the insurance buying public is perhaps more impressed by this fact than many of us in the business have realized."

Boston L&A Claim Assn. Elects Edwards President

Boston Life & Accident Claim Assn. held an outing in connection with its annual meeting at Marlboro country club, Marlboro, Mass. Forty-five persons attended. Robert A. Edwards, Monarch Life of Massachusetts, was elected president; Harold S. Critchlow, Equitable Society, vice-president; Walter T. May, Massachusetts Mutual Life, secretary, and George R. Bacon, H. C. Hawthorne & Co., Inc., treasurer.

Continental Casualty Offers New Coverage

Continental Casualty has added to the special risks employee-group policy and dread disease coverage a \$50 weekly indemnity for as long as 52 weeks when the insured is stricken by any of the covered diseases.

The coverage now offers a total disability reimbursement and the new \$50 weekly indemnity. Annual cost for the coverage is \$3.80 per individual employee and \$7.65 premium will cover the married employee, his wife, and all unmarried children under 21.

SALES PROMOTION DIRECTOR

PAN-AMERICAN LIFE INSURANCE COMPANY of New Orleans has an opening in the Home Office for an experienced Sales Promotion man to head an established department as Director.

Here's an opportunity for a man to step into a top position with a sound, fast growing mutual company that is rapidly approaching the Billion Dollar mark in Insurance In Force.

You will be locating in a beautiful city, famous for its congeniality and possessing a wonderful climate, excellent educational and recreational facilities, with an abundance of in town and suburban residential areas.

If you have a proven record, evidence of creative ideas and sales personality, send a résumé and picture, in confidence to:

Vice-President & Agency Director
Pan-American Life Insurance Company
P. O. Box 219
New Orleans, Louisiana

June 29, 1953

See

power about into but the consider hearing Trent specta pitted insur er. On not g enabling Fredy that " posal called tance tal to we fel our re forth of this concern positio essent since annuitat lying at any absolu multia annuitat amoun "The pa said M purchase a muta that th individual annuitat compa purchase of safe life in public, insura bave h as b variable reafered lles th guarant would derstan You can mon st in the downst Mr. last 50 in stock to 90% has bee the D it's the tives c that "if one en tract w disaster Mr. 1 income

Sees SEC Control Aiding Variable Annuity Sales (CONTINUED FROM PAGE 1)

power over variable annuities was about the only new factor introduced into this highly controversial question but there was intense interest and a considerable element of drama in the hearing at the assembly chamber in Trenton. More than 200 witnesses and spectators were on hand. The hearing pitted the heads of the two largest insurance companies against each other. Ordinarily Metropolitan Life does not go into another state to oppose enabling legislation sought by a company domiciled there but President Frederic W. Ecker of Metropolitan said that "We feel so strongly that the proposal to permit the issuance of so-called variable annuities by life insurance companies would be so detrimental to the whole life insurance business we felt that we would be neglectful of our responsibilities if we failed to set forth for your consideration the aspects of this matter which cause us such concern." Mr. Ecker reiterated his opposition to the variable annuity on the ground that so much of the risk is essentially transferred to the purchaser, since the insurer agrees only to pay the annuitant what his share of the underlying common stock fund will produce at any particular time and "there is absolutely no guarantee that the annuitant will receive any particular amount of money."

"The area for misunderstanding on the part of the public, is very great," said Mr. Ecker. "When an individual purchases common stocks or shares in a mutual fund he knows automatically that there is a risk involved. I believe that the vast majority of the same individuals who might purchase a variable annuity contract from a life insurance company would feel that they were purchasing pretty much the same type of safe and certain protection as they have been accustomed to purchase from life insurance companies in the past." "It seems most unlikely that the public, accustomed for years to life insurance contracts providing for guaranteed benefits, could be expected to understand and perceive the fundamental departure from the guaranteed insurance contract that would be offered by these variable annuity contracts. This would be especially true where, as is contemplated by these bills, the variable annuity contract would be offered by the same insurance companies that historically have sold only guaranteed contracts and presumably would be sold by the same agents.

"In spite of the efforts of an able and honest field force to explain the variable annuity contract, we doubt very much whether any sizeable proportion of the buying public would understand the risks involved. People would feel that because the great Prudential issues it, the risk was removed. You cannot change the nature of common stocks. There inevitably will be in the future, as in the past, wide downswings as well as upswings."

Mr. Ecker pointed out that in the last 50 years there have been drops in stock market prices that ranged up to 90% and at least six times the drop has been 40% or more, as measured by the Dow-Jones industrial averages. It's the possible substantial drop that gives cause for concern, he said, adding that "it is unreasonable to expect that one endeavoring to sell such a contract would call attention to the more disastrous possibilities."

Mr. Ecker said that if the variable income concept is sound for annuities,

a natural question arises as to why it should not be sound for other forms of life insurance protection. Why should there not be variable life insurance policies or variable endowment policies? It would seem, he said, that the same reasoning which is used to justify the variable annuity policy could be used to justify the variable life insurance policy. He recalled that some proponents of the variable annuity have publicly favored a variable life income settlement option in life policies.

Mr. Ecker advanced the familiar criticism that the variable annuity constitutes surrender to inflationary forces. He said that Mr. Shanks has been in the forefront up to now in the fight against inflation and "why the backflip on this particular proposition is beyond me." The insurance industry's answer to the problem of rising prices is to launch a fight against inflation rather than inaugurating devices based on the acceptance as being inevitable, said Mr. Ecker.

The SEC's claim of jurisdiction over variable annuities was cited by Mr. Ecker as a reason for not enacting the New Jersey bills.

"It seems to me that, in the face of what is now taking place, for the life insurance company to issue a variable annuity contract is practically asking for federal supervision," he said. "If the Securities & Exchange Commission once undertakes to regulate any phase of a life company's business, there is no telling where it may end."

Mr. Ecker professed agreement with the concept that a life company should be progressive and willing to experiment but added that "some forms of experimentation can be too dangerous and too potentially detrimental to the public and the business to be undertaken."

In answer to a question from Chairman Farley of the senate business affairs committee, Mr. Ecker gave an interesting sidelight on his extreme distrust of common stocks. He said he started his business career in Wall street and although no one could have been more conscientious than he was in selling securities, when the bottom fell out of the market in 1929 he saw friends to whom he had sold securities winding up with stocks worth 10 cents on the dollar.

If Prudential had opposition from across the river, it also had support. President Louis W. Dawson of Mutual of New York testified that while Mutual has no present plans for issuing the variable annuity, "an experiment conducted by the strong, conservative life companies that are domiciled in New Jersey and regulated by the able insurance department that exists in this state would certainly be in the public interest."

In the final analysis, said Mr. Dawson, the life or death of the variable annuity will be decided by the American public. If it fills a real need and is soundly conceived, it will continue to develop in spite of all efforts to discourage it. On the other hand, if it fills no great need and is not soundly conceived, it will soon disappear from the scene.

"If we will help to guide the movement soundly, test it fairly and let nature take its course, I think we will find the right answer," he said.

Mr. Dawson expressed the belief that because of their conservative approach to investment questions, life companies are likely to do a better job with

variable annuities than other organizations might. If the variable annuity is sold by life companies it has strong but conservative sales forces, in combination with their other products and services, "we are less likely to have any over-selling of the equity idea than would be the case if it is sold by others as their exclusive product."

Prudential also had an outspoken ally in Bankers National Life of Montclair, N. J. President Ralph R. Lounsbury said it is obvious there is a demand for equity investments as is evidenced by the growth of mutual

funds and there is also a demand for a security that will use up principal without the possibility of its being outlived and that since life companies are the only ones qualified to handle the mortality aspect, his company was supporting the proposal just as it would if it were made by Metropolitan or any other good company.

He said if there is no real demand for the variable annuity, that will soon become apparent but it will not be possible to find out unless permission is given to issue the coverage. As for waiting until an obvious tremendous

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YOU...a Life Underwriter or General Agent...can quickly and confidentially borrow from \$2,000 to \$100,000 on your vested Life Insurance renewals now...in a lump sum...through our new exclusive, low bank interest rate service.

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Wichita, Kansas

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Vernon 2-2640
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FRANK M. SPEAKMAN CONSULTING ACTUARY

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914 Second Ave. 400 Montgomery St.

Seattle 4, Wash. San Francisco 4, Calif.

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What does the public think of the methods of approach used by agents generally when offering life insurance service? Both Home Life policyholders and their neighbors responded favorably when asked "Did you like your agent's method of approach?" Ninety percent of Home Life policyholders answered with an unqualified "yes," as did 87% of their neighbors, none of whom were Home Life policyholders.

In concluding its report on the survey, the Roper organization stated

that Home Life's planned estates concept is highly regarded and appears to be doing the company a great deal of good; it is serving primarily to strengthen the company's agent in the clients' minds and to impress them with the actual service rendered; and such weaknesses as do show up are relatively small and probably such as can be rectified within the planned estates concept.

Home Life's president, William P. Worthington, sees in the survey a healthy "vote of confidence" for the American agency system. He points out that again and again the answers of Home Life policyholders and their neighbors revealed a strong consciousness of the caliber of the agent and his services.

"This would seem to indicate" Mr. Worthington said, "that the best buy in life insurance today is the services of a carefully selected, well trained life underwriter. And the Roper survey reveals rather clearly that the insurance buying public is perhaps more impressed by this fact than many of us in the business have realized."

Boston L&A Claim Assn. Elects Edwards President

Boston Life & Accident Claim Assn. held an outing in connection with its annual meeting at Marlboro country club, Marlboro, Mass. Forty-five persons attended. Robert A. Edwards, Monarch Life of Massachusetts, was elected president; Harold S. Critchlow, Equitable Society, vice-president; Walter T. May, Massachusetts Mutual Life secretary, and George R. Bacon, H. C. Hawthorne & Co., Inc., treasurer.

Continental Casualty Offers New Coverage

Continental Casualty has added to the special risks employee-group policy and dread disease coverage a \$50 weekly indemnity for as long as 52 weeks when the insured is stricken by one of the covered diseases.

The coverage now offers a total of reimbursement and the new \$50 weekly indemnity. Annual cost for the coverage is \$3.80 per individual employee, and \$7.65 premium will cover the married employee, his wife, and all unmarried children under 21.

SALES PROMOTION DIRECTOR

PAN-AMERICAN LIFE INSURANCE COMPANY of New Orleans has an opening in the Home Office for an experienced Sales Promotion man to head an established department as Director.

Here's an opportunity for a man to step into a top position with a sound, fast growing mutual company that is rapidly approaching the Billion Dollar mark in Insurance In Force.

You will be locating in a beautiful city, famous for its congeniality and possessing a wonderful climate, excellent educational and recreational facilities, with an abundance of in town and suburban residential areas.

If you have a proven record, evidence of creative ideas and sales personality, send a résumé and picture, in confidence to:

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P. O. Box 219
New Orleans, Louisiana

Sees SEC Control Aiding Variable Annuity Sales

(CONTINUED FROM PAGE 1)

power over variable annuities was a natural question arises as to why about the only new factor introduced into this highly controversial question but there was intense interest and a considerable element of drama in the hearing at the assembly chamber in Trenton. More than 200 witnesses and spectators were on hand. The hearing pitted the heads of the two largest insurance companies against each other. Ordinarily Metropolitan Life does not go into another state to oppose enabling legislation sought by a company domiciled there but President Frederic W. Ecker of Metropolitan said that "We feel so strongly that the proposal to permit the issuance of so-called variable annuities by life insurance companies would be so detrimental to the whole life insurance business we felt that we would be neglectful of our responsibilities if we failed to set forth for your consideration the aspects of this matter which cause us such concern." Mr. Ecker reiterated his opposition to the variable annuity on the ground that so much of the risk is essentially transferred to the purchaser, since the insurer agrees only to pay the annuitant what his share of the underlying common stock fund will produce at any particular time and "there is absolutely no guarantee that the annuitant will receive any particular amount of money."

The area for misunderstanding on the part of the public is very great," said Mr. Ecker. "When an individual purchases common stocks or shares in a mutual fund he knows automatically that there is a risk involved. I believe that the vast majority of the same individuals who might purchase a variable annuity contract from a life insurance company would feel that they were purchasing pretty much the same type of safe and certain protection as they have been accustomed to purchase from life insurance companies in the past.

"It seems most unlikely that the public, accustomed for years to life insurance contracts providing for guaranteed benefits, could be expected to understand and perceive the fundamental departure from the guaranteed insurance contract that would be offered by these variable annuity contracts. This would be especially true where, as is contemplated by these bills, the variable annuity contract would be offered by the same insurance companies that historically have sold only guaranteed contracts and presumably would be sold by the same agents.

"In spite of the efforts of an able and honest field force to explain the variable annuity contract, we doubt very much whether any sizeable proportion of the buying public would understand the risks involved. People would feel that because the great Prudential issues it, the risk was removed. You cannot change the nature of common stocks. There inevitably will be in the future, as in the past, wide downswings as well as upswings."

Mr. Ecker pointed out that in the last 50 years there have been drops in stock market prices that ranged up to 90% and at least six times the drop has been 40% or more, as measured by the Dow-Jones industrial averages. It's the possible substantial drop that gives cause for concern, he said, adding that "it is unreasonable to expect that one endeavoring to sell such a contract would call attention to the more disastrous possibilities."

Mr. Ecker said that if the variable income concept is sound for annuities,

a natural question arises as to why it should not be sound for other forms of life insurance protection. Why should there not be variable life insurance policies or variable endowment policies? It would seem, he said, that the same reasoning which is used to justify the variable annuity policy could be used to justify the variable life insurance policy. He recalled that some proponents of the variable annuity have publicly favored a variable life income settlement option in life policies.

Mr. Ecker advanced the familiar criticism that the variable annuity constitutes surrender to inflationary forces. He said that Mr. Shanks has been in the forefront up to now in the fight against inflation and "why the backflip on this particular proposition is beyond me." The insurance industry's answer to the problem of rising prices is to launch a fight against inflation rather than inaugurating devices based on the acceptance as being inevitable, said Mr. Ecker.

The SEC's claim of jurisdiction over variable annuities was cited by Mr. Ecker as a reason for not enacting the New Jersey bills.

"It seems to me that, in the face of what is now taking place, for the life insurance company to issue a variable annuity contract is practically asking for federal supervision," he said. "If the Securities & Exchange Commission once undertakes to regulate any phase of a life company's business, there is no telling where it may end."

Mr. Ecker professed agreement with the concept that a life company should be progressive and willing to experiment but added that "some forms of experimentation can be too dangerous and too potentially detrimental to the public and the business to be undertaken."

In answer to a question from Chairman Farley of the senate business affairs committee, Mr. Ecker gave an interesting sidelight on his extreme distrust of common stocks. He said he started his business career in Wall street and although no one could have been more conscientious than he was in selling securities, when the bottom fell out of the market in 1929 he saw friends to whom he had sold securities winding up with stocks worth 10 cents on the dollar.

If Prudential had opposition from across the river, it also had support. President Louis W. Dawson of Mutual of New York testified that while Mutual has no present plans for issuing the variable annuity, "an experiment conducted by the strong, conservative life companies that are domiciled in New Jersey and regulated by the able insurance department that exists in this state would certainly be in the public interest."

In the final analysis, said Mr. Dawson, the life or death of the variable annuity will be decided by the American public. If it fills a real need and is soundly conceived, it will continue to develop in spite of all efforts to discourage it. On the other hand, if it fills no great need and is not soundly conceived, it will soon disappear from the scene.

"If we will help to guide the movement soundly, test it fairly and let nature take its course, I think we will find the right answer," he said.

Mr. Dawson expressed the belief that because of their conservative approach to investment questions, life companies are likely to do a better job with

variable annuities than other organizations might. If the variable annuity is sold by life companies it has strong but conservative sales forces, in combination with their other products and services, "we are less likely to have any over-selling of the equity idea than would be the case if it is sold by others as their exclusive product."

Prudential also had an outspoken ally in Bankers National Life of Montclair, N. J. President Ralph R. Lounsbury said it is obvious there is a demand for equity investments as is evidenced by the growth of mutual

funds and there is also a demand for a security that will use up principal without the possibility of its being outlived and that since life companies are the only ones qualified to handle the mortality aspect, his company was supporting the proposal just as it would if it were made by Metropolitan or any other good company.

He said if there is no real demand for the variable annuity, that will soon become apparent but it will not be possible to find out unless permission is given to issue the coverage. As for waiting until an obvious tremendous

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demand builds up, he said that would be like saying, some years ago, "don't invent television—nobody wants it." The same could have been said about mutual funds before they became popular, he pointed out.

Mr. Lounsbury also took a crack at opponents' use of the SEC move and also the possible effect the New Jersey legislation might have on other states.

"I didn't know," he said, "that we were legislating for the federal government or the other states. I didn't know that you gentlemen were the SEC or the United States Congress. I thought you were the legislature of New Jersey."

New Jersey, he pointed out, is a good state for the variable annuity project because it has a good insurance department and the three pending bills put in the hands of competent people all the powers needed to protect the public. Moreover, he said, the public has been underrated and is not quite so infantile as has been assumed by those who feel that the public would inevitably confuse the variable annuity with the guaranteed-dollar variety.

While President Ecker of Metropolitan had expressed the fear that the buyer of a variable annuity would blame the insurance company rather than the vagaries of the stock market in the case of a decline in earnings, President Keith Funston of the New York Stock Exchange expressed the fear that the buyer of a variable annuity would, under these circumstances blame the stock market and not the insurance company, "which may not have properly described what it is selling because it undoubtedly will have difficulty in training salesmen to sell properly both insurance and securities."

Mr. Funston insisted that the variable annuity is actually an interest in a common stock investment portfolio and that "to permit the sale of common stock investment contracts in a form which would confuse and mislead the public as to the nature of their purchase would compound the risks inherent in common stock ownership."

"It is my sincere conviction that these bills would do exactly that, because they permit the sale of common stock investment contracts to the public in the guise of insurance," he said.

Mr. Funston said the question is whether insurance companies should be permitted to "engage in the securities business" without submitting to the federal and state regulation which has been developed over the years. Safeguards applied to the sale of variable annuities might well include these, he said: (1) the use of a prospectus in the sale of variable annuities; (2) the application of the same standards with regard to sales literature and advertising used in the sale of variable annuities as applied to the sales securities; (3) limitations on permissible investments by companies selling variable annuity contracts; (4) protection of the public against fraud in the sale of variable annuities.

Mr. Funston, like some of the other opponents of variable annuities, attempted to show that a variable annuity would enjoy a "tax shelter" not enjoyed by common stocks. However, his comparison was so incomplete as to be meaningless.

Asked by Chairman Farley if he had an alternate plan for combining equity investments and the annuity principle, Mr. Funston said he was not prepared to offer anything.

Claude L. Benner, president of Con-

tinental American Life, criticized the variable annuity on the ground that common stock prices do not always vary with the cost of living. He also disagreed with the idea that inflation is inevitable, though he conceded it was hard to predict.

E. T. McCormick, president of American Stock Exchange of New York, concurred with Mr. Funston. He pleaded for tabling of action until the courts decide whether the SEC has jurisdiction over variable annuities.

Testifying for the bills was Commissioner Howell of the New Jersey department. He explained that the bills would give the department adequate regulatory powers and are more specific in some respects than the earlier bills introduced in the previous session.

Hugh W. Long, president of New Jersey investment companies, speaking on behalf of the open-end investment company committee of the National Assn. of Investment Companies, attacked the bills as not being a form of annuity or a form of insurance. He said there is no real difference between a mutual fund and the so-called variable annuity, in basic principle.

He said that the general use of guarantees and "certain" periods in paying out annuities makes the life contingency difference between variable annuities and mutual funds superficial. His main opposition centered on the possibility that variable annuities would not be subject to the control of the SEC or the state securities departments.

Mr. Long wound up with a pretty lurid picture of what would happen if the New Jersey bills were enacted.

"If these bills become law," he said, "they will be an open invitation to opportunists and promoters everywhere. Certainly I hope that my state of New Jersey is not about to become a haven for the exiles from Wall Street or for the operators who have been forced out of business in the clean-up of the insurance business in Texas..."

J. Edward Day, associate general counsel, was the opening speaker for Prudential. He presented a detailed factual analysis of the difference between a conventional annuity and a variable annuity and explained why the variable annuity is entitled to be regarded as a true annuity.

Richard Congleton, general attorney for Prudential, introduced the various speakers on the proponents' side. Charles G. Dougherty, vice-president of Metropolitan, did the same for the opponents.

Others who testified for the bills, either in person or by memoranda, included Devereux C. Josephs, chairman New York Life; Wilford J. Eiteman, professor of finance at University of Michigan; Sumner H. Slichter, Harvard University economist, who said variable annuities should be offered to the public, because "one is forced to the conclusion that there is at least a strong probability that the long-run movement of the price level will be upwards"; Robert E. Tilove, director of research of the Martin E. Segal employee benefit plan firm; Keath P. Gibson, associate actuary of Towers, Perrin Forster & Crosby, Inc.; George E. Johnson, former vice-president and general counsel of College Retirement Equities Fund, the first variable annuity company; R. H. Deetjen, partner in Emanuel, Keetjen & Company, members of the New York Stock Exchange; Maurice J. Ferris of Manning Shanley & Co., members of the New York

Stock Exchange; George Haney of Kerbs, Haney & Co., also members of the New York Stock Exchange; Prof. Leonard E. Morrissey of the Amos Tuck school of business administration at Dartmouth college, and Dean Arthur Upgren of the Amos Tuck school; Benjamin Stern of New England Mutual Life, New York City, and Robert U. Redpath Jr., Connecticut Mutual, New York City, both residents of New Jersey, and a number of others in and out of the insurance business.

Pru Building Program to Begin in Mid-July

The \$20 million redevelopment and building program for Prudential's home offices in downtown Newark will get underway in mid-July.

The 12-story limestone building at 763 Broad street, which was constructed in 1890 and was the first completed in the present Prudential building group, will be razed. This job will take about six months.

The old building will be replaced by a modern, 7-story air-conditioned structure with white marble facing, to be completed by late 1958.

Initial demolition work will not include the main building at 18 Bank street, where the executive offices are located. This will come later as the program develops.

The next step is expected to begin in early fall, with demolition of the 3-story building at Broad and Academy streets and a portion of the 12-story north building. A 24-story tower building, flanked by 7-story wings, will be erected in this area. The Broad street wing of the north building will not be demolished until the new south building at Broad and Bank streets is completed and occupied.

Pass Over Changes in D. C. Laws

The House committee on the District of Columbia passed over a bill to amend the district's life and fire and casualty acts to give the superintendent more authority in withholding renewals of licenses under certain circumstances.

At a hearing before the Senate committee on D. C., testimony was given in support of a bill to require cabs for hire in the district to hold insurance for the protection of passengers. Witnesses included D. C. officials and taxi representatives.

Canadian Actuaries Elect

Canadian Assn. of Actuaries has elected N. D. Campbell, Crown Life, president to succeed E. A. Rieder, Mutual Life of Canada.

Also elected were J. B. Walker, Canada Life, secretary; M. E. Comfort, London Life, treasurer; W. H. Aitken, Empire Life, W. J. Cohagen, Prudential, and L. E. Coward, William Mercer Ltd., council members.

Life Insurance Growth in the Decade 1945-55 (In Billions of Dollars)

TOTAL OWNED IN U.S.

'45	\$152
'55	\$372

ANNUAL PURCHASE IN U.S.

'45	\$14.6
'55	\$48.4

BENEFITS PAID IN YEAR IN U.S.

'45	\$2.7
'55	\$5.4

ASSET DOLLARS BACK OF INS.

'45	\$4.8
'55	\$9.4

Institute of Life Insurance

Ross, Mass. Mutual, Marks 50th Year

Joseph M. Ross this week rounded out 50 years with Massachusetts Mutual Life, 47 of those years as a home office man and the last 3 as a member of the company's Jordan agency at Chicago where in a friendly way he is considered "the top sergeant." His official title is agency counsellor.

Mr. Ross's half-century of service to his company and colleagues was recognized at a testimonial banquet in his honor at Chicago's Lake Shore Club, given by the Jordan agency. More than 40 persons attended, including men from the home office and general agents from other cities.

Jack Schambau, 83-year-old general agent emeritus at Duluth, and Clarence Pejeau, general agent at Cleveland, were in Chicago for the banquet. These men and scores of other Massachusetts Mutual men throughout the country established cherished friendships with Mr. Ross during the 30 years he traveled as an agency auditor-supervisor. James Martin and Frank Meeske, both agency superintendents, attended from the home office. Frank Lodge, agent in the Jordan agency, was master of ceremonies.

Mr. Ross received several gifts and dozens of telegrams and other congratulatory messages, including a plaque signed by all of the officers of the company and the men in the Jordan agency.

Mr. Ross started with Massachusetts Mutual in 1906 in the registry department, transferred to the agency auditing department in 1920, and was appointed assistant agency auditor in 1921. In 1923 he became agency auditor-supervisor, a job that put him on the road visiting and revisiting every agency in the company. For the next three decades, until his retirement in 1953, Mr. Ross scarcely got back to the home office long enough to hang his hat. After his retirement from the home office three years ago, he joined the Jordan agency.

LIAMA's Manager's Magazine Marks 30th Publication Year

LIAMA's Manager's Magazine will mark its 30th year of publication with a special anniversary issue in July.

It will contain articles by Solomon S. Huebner, president emeritus of American College; Charles J. Zimmerman, LIAMA managing director who becomes president of Connecticut Mutual on July 1; Lewis W. S. Chapman, LIAMA director of company relations; Harry N. Kuesel, manager of Holland Life in Canada, and William B. Snyder, general agent of Penn Mutual in Philadelphia.

The first issue of Manager's Magazine appeared in January, 1926, replacing the 3-year-old Quarterly Review of Life Insurance and Business Conditions.

Tie-in Sales Bill Set Back in La.

The judiciary "A" committee of the Louisiana house has voted 13-to-1 to report unfavorably a bill to prevent tie-in sales of life insurance and speculative investments. Mrs. Mary Parker, insurance agent and director of the state welfare department, supported the bill. Richard O. Rush, Baton Rouge lawyer and former insurance instructor at Louisiana State university, opposed it.

Steele to W. Va. for Ohio State Life

Robert C. Steele has been appointed second general agent for Ohio State Life at Charleston, W. Va. He formerly was with National Life of Vermont, Shenandoah Life, Pilot Life and Equitable Society.

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Mr. AGENCY BUILDER:



The COLUMBUS MUTUAL Life Insurance Company

Frederick E. Jones, President
Ben F. Hadley, Vice-Pres. & Supt. of Agents

Columbus 16, Ohio

Why Insurance Advertising is "different"

Prestige, good will, consumer acceptance—all branches of insurance depend upon these more than does any other business. Manufacturers of every conceivable commodity starting with automobiles, trucks and tractors and continuing through such commonly purchased things as household appliances, furniture, clothing; drugs; cosmetics and food stuffs; all are big advertisers; all spend a relatively high percentage of their gross income in various forms of advertising.

But the advantage they have is that they can show and picture what it is they have for sale. They do not have to describe it or play upon the imagination of the reader to have him gain a conception of it. Instead, they can illustrate it, picturize it, and the prospective purchaser in the store may look at it, handle it, feel it and in many cases even purchase it on a trial basis, under an agreement allowing him to turn it back if it is not satisfactory.

In contrast, insurance has no finished goods to show, almost nothing to illustrate except disaster or stunning loss which, of course, have no public appeal. What insurance companies have to sell cannot be illustrated by the use of attractive colors or pictures of pretty girls in bathing suits, and so it is for all of these reasons that an insurance company, particularly in its trade paper advertising, must make an entirely different approach.

Through its performance it must establish the right kind of a reputation, gain prestige, and achieve good will among those who are producing the premiums. "Consumer acceptance" which is talked of so generally in advertising circles, is obtained in the insurance business by the agent, and so the basic advertising problem of insurance companies is to sell the agent first, and he in turn will sell the public.

Long ago we learned that readers of advertisements are resentful of overstatements, claims that cannot be substantiated, and contentions that are downright misleading. With this in mind we will say no more for advertising in *The National Underwriter* than that it will help any company to make the most of what it has.

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Number 39 of a series.

